

December 22, 2003

Honorable Members of the General Assembly:

Pursuant to the Fiscal Responsibility Report Card Act [35 ILCS 200/30-30 and 200/30-31] enclosed is the FY 2002 Fiscal Responsibility Report Card detailing the financial activity of Illinois' local governments.

The FY 2002 Fiscal Responsibility Report Card contains summarized financial data for counties, municipalities, townships, and special purpose districts in the state of Illinois. Highlighted in this report are the sources of revenue, programmatic expenditures, and fund balances retained by local governments in FY 2002. Also included are Individual Data Summaries for each unit of government providing: an administrative profile summarizing each unit's revenue, expenditures, fund balance and debt with per capita breakdowns; and fiscal indicators calculating the averages and medians based on the population served or the financial position of the unit of government.

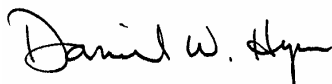
The FY 2002 Report Card contains illustrative text and research on issues relating to fiscal health and responsibility that include new classifications and groupings of financial data. New to the FY 2002 Report Card are: tables with revenue groupings, Local Taxes, State Sources, and Other Sources consistent with the data found in the Annual Financial Report [AFR]. Also included is user-friendly statistical information regarding the percent of total revenue for each of these account groupings and several appendices. The FY 2002 and Historical Data for the City of Chicago are specifically detailed in Appendix E.

In 1999, I made a commitment to increase local government accountability, improve the quality of the financial data collected from local governments, and introduce innovative programs and services to local government officials; and I remain committed to these principles. My office continues to help local governments comply with their statutory reporting requirements, to offer educational training programs and technical support, and to improve the accuracy of the annual financial data submitted to my office.

In the coming year, my office will develop programs and services to improve the financial condition of many local governments bearing the weight of our economy's downturn. We will also continue to form partnerships with various local government organizations to inform and educate local government officials on accounting rules affecting their annual financial reporting.

It is my privilege to provide you and the taxpayers of Illinois with this comprehensive assessment of local governments' finances. I hope you find this information useful in future deliberation on issues that affect local governments.

Sincerely,



Daniel W. Hynes
Illinois State Comptroller

TABLE OF CONTENTS

INTRODUCTION	3
LOCAL GOVERNMENT ACCOMPLISHMENTS	4
LOCAL GOVERNMENTS IN ILLINOIS	6
METHODOLOGY	16
FY 2002 GOVERNMENTAL FUND REVENUE	20
FY 2002 GOVERNMENTAL FUND EXPENDITURES	29
FY 2002 GOVERNMENTAL FUND BALANCE	36
CHART OF ACCOUNTS	38
APPENDICIES A – E	50

INTRODUCTION

Pursuant to local government statutes [*Governmental Account Audit Act*¹, *Counties Code*², and *Municipal Code*³] the Office of the Comptroller collects Annual Financial Reports [AFRs] from more than 6,000 local governments representing financial information for more than 7,600 primary and component units of government for FY 2002. The *Fiscal Responsibility Report Card Act*⁴ requires the Office of the Comptroller to provide a report to the General Assembly and county clerks regarding the collection of revenue and the expenditures of local governments, excluding school districts, community colleges and other types of governments that do not collect property tax. The *Fiscal Responsibility Report Card* is being distributed to the General Assembly and county clerks in fulfillment of this requirement.

While the *Fiscal Responsibility Report Card Act* calls for an annual report detailing the financial activity of local governments, it also serves as a vehicle for assessing the fiscal health of Illinois' local governments and holding local officials accountable for their financial decisions. Data collected by the Comptroller is available in a standardized format and accessible to policy makers and the public as called for in the *Freedom of Information Act*⁵ and the *Public Records Act*.⁶

The FY 2002 Report Card contains descriptive text, research on issues relating to fiscal health & responsibility, and new classifications and groupings of financial data. The Report Card contains more user-friendly statistical information regarding the collection of local government revenue based on various revenue groupings; Historical Data, including the Average Annual Growth Rate [AGR] over a three-year period from FY 1999 through FY 2002 for revenue and expenditures; and several appendices, one of which details the finances of the City of Chicago. In addition, Individual Data Summaries are available for all local governments submitting an AFR in FY 2002. The Data Summaries provide comparative data for similar units of government including summaries of total revenue, expenditures, fund balances, and debt.

The FY 2002 Fiscal Responsibility Report Card includes: the Background of Local Governments in Illinois, the Report Card methodology, and the FY 2002 and Historical Data on Governmental Fund Revenue, Expenditures, and Fund Balance. This information is supported by the data contained in Appendices A – E.

LOCAL GOVERNMENT DIVISION ACCOMPLISHMENTS 1999 - 2003

Since taking office in January 1999, Comptroller Hynes has been committed to increasing local government accountability, improving the quality of the financial data submitted on the Annual Financial Report [AFR], becoming more efficient in collecting and analyzing annual financial data, and introducing innovative programs and services to local government officials.

In just five years, the Office of the Comptroller's Local Government Division has dramatically improved local government reporting compliance, offered more than 30 educational training programs, launched Comptroller Connect Internet Filing, audited more than 50 chronically delinquent units of government, enhanced the Local Government Division's website, partnered with numerous agencies and local government associations to streamline financial reporting, educated local government officials on fiscal health and responsibility, passed legislation to save taxpayers from frivolous audit expenses and eliminate duplicative reporting requirements and launched a toll-free Local Government Assistance Hotline.

The following highlight some of the accomplishments of the Local Government Division.

- **Annual Financial Report [AFR]**
 - Created short and abbreviated forms, which allow local governments with less complex finances to file their annual financial data more efficiently and accurately.
 - Developed and improved support documents to provide local government officials step-by-step instructions on how to fill out the AFR.
 - Expanded expenditure and revenue categories to allow for more descriptive reporting of local government spending.
- **Educational and Training Programs**
 - Held the 1999 and 2003 County Treasurer's Training Programs, with interactive sessions on the property tax cycle, investment policy, mobile home taxation and bankruptcy⁷.
 - Annually conducted training seminars on AFR reporting, debt management, fiscal health & responsibility, Tax Increment Finance [TIF] reporting, Comptroller Connect Internet Filing, budgeting, GASB 34, and innovative funding sources. More than 2,500 local government officials and accounting professionals have attended these training seminars.
 - More than 1,000 local government officials have attended the specialized AFR training seminars developed for statewide local government organizations.
 - Members of the Local Government Division Staff have conducted more than 600 one-on-one help sessions with local government officials in all of Illinois' 102 counties.
- **Technology**
 - Developed and launched Comptroller Connect Internet Filing; which allows local governments to file their annual financial data on-line. Currently, 70% of all financial data is submitted via Comptroller Connect.
 - Improved and enhanced the Local Government Division's website which contains: all local government financial data, immediate access to submitted AFRs, access to the

Fiscal Responsibility Report Card, Individual Data Summaries, and Comptroller Connect Internet Filing.

- Created an on-line download center, allowing local government officials and accounting professionals to download Annual Financial Reports, TIF Reports, Registration Forms and corresponding support documents.
- **Compliance**
 - In January 1999, only 65% of all local government fulfilled their annual financial reporting requirements to the Office of the Comptroller. Since then annual compliance has been 96%.
 - More than 50 units of government have been audited, a result of their chronic non-compliance [three or more years delinquent].
- **Local Government Assistance Hotline**
 - In February 2000, the Local Government Division introduced the toll free Local Government Assistance Hotline to encourage local officials to contact the Office of the Comptroller with their questions, concerns, issues, and comments. Since its implementation, the Local Government Assistance Hotline has assisted more than 12,000 local government callers.
- **Legislation**
 - Partnered with various local government organizations to draft and pass legislation eliminating duplicative reporting and annual reporting requirements that imposed an undue financial burden on local governments and taxpayers.
- **TIF Reporting**
 - Offered training programs for TIF administrators and TIF professionals throughout the state.
 - Improved TIF compliance from 44% in 1999 reporting to 83% in 2002 reporting.
- **Fiscal Responsibility Report Card**
 - Developed the Individual Data Summaries which detail the financial activity of each local government filing an AFR including per capita analysis, fiscal indicators, and comparative data based on categorical groupings of similar units of government.
 - Eliminated costly production of the Fiscal Responsibility Report Card through on-line access to the Individual Data Summaries and Executive Summary.
- **Outreach**
 - Formed partnerships with Township Officials of Illinois [TOI] to educate township officials about sound fiscal health practices and assisted townships in lowering their fund balances, resulting in more than \$1 million in taxpayer savings.
 - Presented and disseminated annual financial data at the annual conferences of the Illinois Municipal League, Township Officials of Illinois and Illinois Association of County Officials.
 - Established long-term data sharing partnerships with the U.S. Census Bureau, eliminating duplicative reporting.
 - Since 1999, the Local Government Division has presented more than 300 informational seminars on local government reporting, finance, compliance and fiscal health and responsibility.

LOCAL GOVERNMENTS IN ILLINOIS

Illinois statutes require units of local government to submit Annual Financial Reports [AFRs] to the Office of the Comptroller and the *Fiscal Responsibility Report Card Act* requires the Comptroller to report annually to the General Assembly on the status of Illinois local governments. The State of Illinois is comprised of over 7,600 units of local government, excluding schools districts and community colleges⁸. Each government is required to submit annual financial data to the Local Government Division, via the Annual Financial Report [AFR] and in some instances they must also provide an audit.

Following is a listing of government types required to file financial data with the Office of the Comptroller.

Type of Government
Airport Authority
Cemetery District
City
Conservation District
County
Drainage District ⁹
Electric Agency
Exposition and Auditorium Authority
Fire Protection District ¹⁰
Forest Preserve District
Home Equity Program
Hospital District
Mass Transit District
Mosquito Abatement District
Multi Township Tax Assessment District
Museum District
Park District ¹¹
Port District
Public Building Commission
Public Health District

Type of Government
Public Library District ¹²
Public Water District
Rescue Squad District
River Conservancy District
Road & Bridge ¹³
Road District
Sanitary District
Soil and Water Conservation District
Solid Waste Agency
Special Recreation
Street Lighting District
Surface Water District
T.B. Sanitarium District
Town
Township
Village
Water Authority
Water Commission
Water Reclamation District
Water Service District

Did You Know?

- Illinois has more local governments than any state in the nation.
- Annually Illinois' local governments collect more than \$16 billion dollars and spend in excess of \$18 billion.
- Illinois' local governments serve a population of 12.5 million people and collect \$1,288 in revenue per resident¹⁴.
- Illinois' local governments collected more revenue than 23 states and expend more annually than Delaware, Vermont, Montana, North and South Dakota and Wyoming combined¹⁵.
- In FY 2002, local governments expended more than \$1,500 per capita.
- *Municipalities* include the following types of governments: Cities, Town, and Villages.
- *Special Purpose Districts* include the following thirty types of governments: Airport Authority, Cemetery District, Forest Preserve District, Hospital District, Exposition and Auditorium Authority, Mosquito Abatement District, Public Health District, River Conservancy District, Road District, Sanitary District, Soil and Water Conservation District, Street Lighting District, Water Service District, Conservation District, T.B. Sanitarium District, Surface Water District, Mass Transit District, Multi Township Tax Assessment District, Port District, Home Equity Program, Rescue Squad District, Special Recreation, Electric Agency, Public Building Commission, Public Water District, Water Commission, Solid Waste Agency, Water Reclamation District, Water Authority, and Museum Districts.
- Responsibilities of the Local Government Division include collecting and analyzing Annual Financial Reports [AFRs], producing the Fiscal Responsibility Card, maintaining a central registry of all units of local government in Illinois, and providing training and educational seminars on annual financial reporting.

LOCAL GOVERNMENT: A BRIEF HISTORY

Local government has long been and continues to be the backbone of Illinois. The richness and diversity of our people is exemplified in the number and variety of our local governments.

Local government affects almost all aspects of a person's life. Because of such a preponderance of units of government, one would expect a rigid adherence to a strict set of guidelines. Yet, quite to the contrary, Illinois Local governments are a crazy quilt of personalities, attitudes, and practices. Local officials are traditionally a very independent lot and do not like to be told how to do their job.

There are two reasons for the large number of local governments. First, they historically evolved over a long period, based on the needs of the early settlers. Geography, climate, and agricultural growing conditions all helped develop our current system of counties, municipalities, and townships.

Illinois' system of local government is heavily borrowed from the English political system. In England, the shires, parishes, and boroughs developed almost at random, without planning or forethought. Each local unit appointed its own officials, levied its own taxes, and went its separate way. Officials were chosen at different times for different terms of office through very different methods of voting. Qualifications were uneven or nonexistent. The result was a country with overlapping jurisdictions, territorial conflicts, and confusion of duties.

Counties in Illinois are derived from the English shire. The county is as old as statehood and originally was the main form of government in the state. In New England states, towns served as the basic form of local government. Towns were grouped together for judicial administration. Later, as other needs and functions grew, county government developed into an important institution. Yet it never matched the town in terms of power and influence.

Municipalities have been around since the ninth or tenth century. Formalized in charters by Edward I and Henry II, municipalities became a corporate form in 1439. In America, municipalities developed in the mid-seventeenth century as a result of the population concentration of the Industrial Revolution. Municipalities originally were independent of the legislature. Charters were considered a form of contract not subject to revision without the consent of the incorporated place. Functions were limited with power given to a relatively small number of officials.

Townships existed in ancient Germany, and the concept was brought to England during the Anglo-Saxon invasion. The Pilgrims later brought the idea to America. At the time, a township was an area of land occupied by people inhabiting a fenced homestead or farm or village surrounded by an enclosure. Experts believe that our political structure grew out of the township experience and that it is the basis for our overall system of government in America.

The American adventure proves that local government works, and works well. Even during the American Revolution, there were few calls for change in local government. People were satisfied with their government because a large percentage of the population participated in it.

That continues today, especially in Illinois, as it has been estimated that there is one local official for every two thousand citizens in the state.

Excerpt from Illinois Local Government: A Handbook by Gary Koch and James F. Keane [Eds.] copyright Ó1990 by Southern Illinois University Press. Gary Koch is the Director of Communication and Education for the Illinois Municipal League.

TOWNSHIP GOVERNMENT IN ILLINOIS – A RICH HISTORY, A VIBRANT FUTURE!

Township government has served both the rural and urban residents of Illinois since 1848. Although Illinois' 1,433 townships still function according to provisions of the Township Act of 1874, amendments to the act have kept township government as modern as any and more progressive than most. Township government is grassroots government, the closest level of government to the people.

By statute, three services are to be provided by townships: a general assistance program to qualifying residents, property assessment, and maintenance of township roads and bridges. General assistance at the township level provides immediate help to the destitute, according to local standards and needs and with local dollars. Accurate property assessments provide income through tax levies for all local governments. The greater the proficiency of the township assessor, the more equitable the taxes paid by the property owners.

Township road district commissioners are directly responsible for maintaining more than 53 percent of the state's total road miles and nearly half of all bridges. These roads and bridges provide access for police and fire protection, school buses and rural postal service. Even in highly urban areas, township highway commissioners are vital. In Cook County alone, the 22 highway commissioners are directly responsible for more than 300 miles of local roads. Township roads may not be as heavily traveled as the ones under the state or interstate systems, but they are lifelines that must be maintained and kept open despite floods, snow, etc., especially in rural Illinois. Neither the state, county or municipal road systems could assume responsibility of townships' more than 71,000 miles of road and 17,000 bridges without increasing their own tax rates or abandoning some of them, or both.

But beyond these mandated functions, many townships offer a variety of social services designed to improve life for their township residents, including senior citizen and youth programs, transportation, and cemetery maintenance.

A unique feature of township government is the annual town meeting that all townships hold each April, which is the only instance in which the citizens have a direct say in how their government is run. Some township detractors claim the annual town meeting is archaic, but they overlook the fact that this is true democracy in action. No other form of government annually places 37 specific voting powers in the hands of the people. This is just another example of why township government is truly the grassroots government of the people.

To better serve Illinois' township residents, the Township Officials of Illinois association was organized in 1907 to promote township legislation and to educate officials on their duties and responsibilities. The association's role has grown dramatically over the years. More than 99 percent of Illinois townships are members of TOI and rely on the association's expertise in answering questions on township policy and procedure.

The monthly magazine, *Township Perspective*, keeps members informed of legislative initiatives and of dates and locations of the many educational workshops held to make sure that township officials are knowledgeable and responsible in performing their duties. All TOI members are also

members of the Washington D.C. based National Association of Towns and Townships, which represents 17,000 township governments in the United States.

TOI holds an Annual Educational Conference for all officials, and hosts many seminars held by specific divisions representing each township office.

In the late 1970s, the Supervisors' Division began conducting training courses to help officials administer general assistance, and streamline accounting and bookkeeping practices. Shortly thereafter, the Highway Commissioners' Division began holding seminars in road maintenance, the administration of road districts, budget and levy procedures, and ways to make the taxpayers' dollars go further.

Also in the 1970s, the Assessors' Division was instrumental in enacting legislation establishing pre-election qualifications and also in providing training to enable assessors or potential assessors to get the education required to meet the new qualification standards. The Clerks' and Trustees' Divisions are now also holding regular seminars to better prepare those officials for the work they do.

In a 1980 Illinois Fourth District Appellate Court decision [Griffe v. Spanski], Justice Albert G. Webber III wrote: "Township government today is probably the last bastion of pure democracy in an otherwise bureaucratized republic. It is the direct descendant of the idealized state envisioned by the ancient philosophers where every man could speak his piece and be afforded a hearing by his peers. The government may propose action, but is subject to the will of its constituents."

Township government was, and is, intended to follow the will of the people and to respond to their needs. Township government today meets these criteria better and more effectively than any other form of local government.

Submitted by Bryan Smith, Executive Director, Township Officials of Illinois. The Township Officials of Illinois [TOI] is a private, not-for-profit organization that currently represents 99% of the state's 1,433 townships. TOI was organized in 1907 in an effort to promote township government in Illinois. Originally, TOI's principle function was lobbying on behalf of member townships. Today, TOI's function is three-fold: the education of township officials; the promotion of township government; and lobbying on behalf of Illinois townships.

ILLINOIS LIBRARIES AND THE ILLINOIS LIBRARY ASSOCIATION

Libraries in Illinois are the cornerstones of the communities they serve. Free access to books, ideas, resources, and information is essential for education, employment, enjoyment, and effective self-government.

There are an incredible variety of libraries in Illinois: public, school, academic and special libraries. With more than 3,800 libraries in Illinois, they represent a billion dollar industry. There are 637 public libraries, which are either their own unit of local government, or part of a village, municipality, or county government, as well as 2,417 school library media centers, and 187 college and university libraries, many of which are in publicly supported schools and colleges. In addition, there are 561 special libraries including corporate, medical, law, religious, and a variety of others.

Illinois public libraries host more than 54 million patron visits each year. More than 84 million items including books, periodicals, video and audiotapes, DVDs, and computer software are borrowed annually from public libraries. Illinois reference librarians answer 16 million questions each year, and 30 percent of these inquiries are from children. These services are provided to Illinois' 13 million residents in an extremely cost effective manner. Almost all funding for public libraries comes from local property taxes, but libraries account for only 2.5 percent of total property taxes.

The concept of public libraries supported by taxes was born in this country and is one of America's greatest gifts to the concept of democracy. Unfortunately, many people both nationwide and locally are finding it harder to access their local libraries, as libraries are facing painful budget cuts.

For example, libraries have been on the forefront of the digital revolution, working to ensure that all Americans have access to computers and the Internet. The dramatic expansion of technology has increased the need for libraries, as the library becomes the primary electronic portal for millions of Illinoisans. Yet budget cuts are shutting off computers at some libraries, limiting access for those who need them most.

Illinois libraries are a national leader in attempting to stretch tax dollars. Nowhere is the dedication to expanding access clearer than in resource sharing among libraries. Since no library can afford all books and materials, Illinois libraries, through interlibrary loans, are able to borrow materials from other libraries across the state or even the nation. There are literally millions of interlibrary loan transactions every year. This system works through the leadership of the Illinois Secretary of State as State Librarian, Illinois Library Systems and all participating libraries, large and small.

The Illinois Library Association is the voice for Illinois libraries and the millions who depend on them. The association has more than 3,000 members made up of libraries and library staff, library trustees, publishers, and other supporters of the library community.

The association provides leadership for the development, promotion, and improvement of library services in Illinois. The association's primary goals are advocating for the public interest and

promoting excellence. Advocacy includes promoting literacy and lifelong learning, ensuring access to information, protecting intellectual freedom, and increasing public awareness. The promotion of excellence includes providing continuing education, creating and distributing useful publications, encouraging leadership development, recognizing professional accomplishments, and the development of innovative programs.

For more information on libraries in Illinois, visit the Illinois Library Association Web site at www.ila.org.

Submitted by Robert Doyle, Illinois Library Association. Since 1896, the Illinois Library Association [ILA] has been the voice for Illinois libraries and the millions who depend on them. Its membership is made up of public, academic, school, and special libraries as well as librarians, library assistants, trustees, students and library vendors. It is a not-for-profit educational organization with more than 3,000 members.

ILLINOIS FIRE PROTECTION DISTRICTS

Illinois Fire Protection Districts are units of local government authorized by the Illinois Fire Protection District Act, which was enacted in July 1927. Fire Protection Districts were initially formed to provide financial support and sponsorship for fire departments in the rural areas of the State not served by municipal [city and village] fire departments. Until the 1940s the number of Fire Protection Districts was relatively low, reaching only 35 by 1941. With the end of the Great Depression and World War II, and the successful conclusion of litigation challenging the formation of fire protection districts, the number of districts expanded rapidly in many areas in the State. Today, there are approximately 827 Fire Protection Districts serving every part of Illinois.

While originally intended primarily to serve rural areas outside cities and villages, Fire Protection Districts now serve many developed urban, suburban and incorporated areas in the State, particularly in the Collar Counties, and many Districts now include cities and villages within their jurisdiction. In other areas of the State, Districts, which were originally formed to serve outlying rural areas, have absorbed municipalities by annexation into the District with the District assuming responsibility for the provision of fire protection services for the municipality as well as surrounding unincorporated areas.

Just as the original concept of the Fire Protection District has evolved from a rural to a rural/suburban/urban unit of government, the public functions of Districts have evolved. Originally formed to provide financial support and sponsorship of volunteer fire departments, Districts now in many cases provide a myriad of emergency services within their jurisdictions, including rescue and extrication and emergency medical services by “first responders” or full-blown emergency ambulance services. District fire departments are now the first line of response for environmental and hazardous materials incidents in many areas. Post September 11, District fire departments have taken on new responsibilities associated with homeland security and the response to terrorism and terrorist incidents. As new needs for emergency services arise, it is typically the fire departments, which are asked to assume responsibility for the provision of those services.

As additional functions have been taken on by Fire Protection Districts in Illinois, the financial resources to provide those services have typically not matched the additional cost incurred by Districts. Districts rely almost exclusively on real estate taxes for their operating revenues. When a new responsibility is added, often by State or Federal mandate, there is no corresponding revenue source furnished. Beyond the provision of new services, mandates in the 1980s for compliance by fire departments with State adopted federal OSHA requirements to improve fire fighter safety have significantly increased costs for Districts. With the adoption in many counties in the State of “tax caps” under the Property Tax Extension Limitation Law [PTELL], the ability of Districts to maintain fiscal viability has been severely challenged, particularly in light of increased pension costs for full time fire fighters and significantly increased liability insurance premium expense. While the Federal Fire Act grant program and member initiative grants from the State Legislature in recent years have provided much needed assistance to Districts to meet capital needs, operating funds remain limited in many Districts as a result of PTELL and real estate tax rate limits.

Submitted by Rose Trader, Executive Director, Illinois Association of Fire Protection Districts. The Illinois Association of Fire Protection Districts, a not-for-profit statewide association formed in 1943 to represent the interests of Fire Protection Districts, works to educate Fire Protection Districts and their governing officials and to promote the needs of Districts to the Illinois General Assembly. The Association membership in 2003 stands at 670 and the Association maintains a full time office in Springfield to serve its membership. Additional information is available from the Association website at www.iafpd.org.

METHODOLOGY

The financial data in the FY 2002 Fiscal Responsibility Report Card has been generated from the Local Government Database, which contains non-audited, self-reported, financial data from 4,929 units of local governments via their FY 2002 Annual Financial Reports [AFRs].

Reporting Governments

Illinois statutes and the Governmental Accounting Standards Board [GASB] define a unit of local government. GASB Statement No.14 distinguishes the difference between primary and component [or dependent] units of government, determining the number of local governments in the state. The *Fiscal Responsibility Report Card Act*⁴, *Governmental Account Audit Act*¹, *Counties Code*², and the *Municipal Code*³, further prescribe local governments' reporting requirements to the Office of the Comptroller.

Based on Illinois statutes and the Governmental Accounting Standards Board [GASB], more than 6,000 primary governments were required to file annual financial data with the Office of the Comptroller for FY 2002. All municipalities, counties, townships and special purpose governments with appropriations over \$5,475 must file an Annual Financial Report [AFR]. Special purpose governments with an appropriation below \$5,475 are exempt from filing an AFR, but are required to file a Verification of Appropriation Form.

Exclusions

The FY 2002 compliance rate was 96.3% with more than 200 units of governments failing to comply with their annual financial reporting requirements. It should also be noted that FY 2002 was the first year that local governments were required to implement GASB 34, which unexpectedly caused delays in reporting their financial data to the Office of the Comptroller.

The City of Chicago's financial data has been included in the *FY 2002 Governmental Fund Revenue, Expenditure and Fund Balance* sections. However, it has been excluded from the Historical Tables and the Individual Data Summaries. Accounting for 25% of *All Governmental Revenue & Expenditures*, the inclusion of the City of Chicago's data would considerably skew the averages and medians provided on the Individual Data Summaries and the FY 2002 municipal data.

Fiscal Responsibility Report Card Executive Summary

In the Fiscal Responsibility Report Card's Executive Summary, all governmental fund types have been combined to indicate the total revenue, expenditures and fund balance for FY 2002.

The following indicate the funds, which constitute Governmental Funds:

- General
- Special Revenue
- Capital Project
- Debt Service
- Discretely Presented Component Units

Tables and Graphs

Appendices A – E include all of the tables and graphs associated with the FY 2002 Fiscal Responsibility Report Card. In an effort to provide a more functional Fiscal Responsibility Report Card, several revenue and expenditure categories have been combined to simplify the presentation of this data in tables and graphs. For example, the expenditure categories, Corrections and Judiciary have been combined in the category Public Safety unless otherwise indicated. The only exception to this modified/combined presentation can be found in the *All Government* tables and graphs, as each category is identified and its corresponding financial data provided.

In some instances, categories were further expanded or consolidated based on the percentages represented in a revenue or expenditure category. Many categories were merged into the “Other” category and are explained in the text box found in the graphs appearing in *Appendices A & B*.

FY 1999 – 2002 Historical Data

The Historical Tables in the Report Card represent data from units of government that have submitted data for both FY 1999 and FY 2002. Governments not providing data for those two years have been excluded from this comparison. The historical comparisons provide a useful tool when measuring governmental growth or reductions over the years. The Average Annual Growth Rate [AGR] has been included in the Historical Data tables, indicating the growth or decrease of each financial category from FY 1999 - 2002.

Individual Data Summaries

Pursuant to the *Fiscal Responsibility Report Card Act* [35 ILCS 200/30-30 and 200/30-31], the Office of the Comptroller has prepared a FY 2002 Individual Data Summary for each local government submitting an Annual Financial Report before its statutory deadline. Each Individual Data Summary is divided into two sections – the *Local Government Profile* and *Fiscal Indicators*.

Local Government Profile

The Local Government Profile contains basic information about the local government for which the Individual Data Summary has been prepared. The profile includes information from the Comptroller’s local government database and the local government’s Annual Financial Report [AFR].

The Individual Data Summaries include per capita comparisons, based on the population provided by each unit of government. The reported population for counties and municipalities is more reliable than other government figures because their reported amounts can be verified through the U.S. Census Bureau.

Categorical Divisions

The Individual Data Summaries indicate average and median comparisons to similar governments. Most of the segregation within each type of government is based on some statutory consideration as follows:

- **Counties**

Counties are broken into three categories based on fiscal requirements triggered by specific populations: counties with a population under 10,000, which are not required to provide an annual audit to the Office of the Comptroller; counties with a population over 275,000, which are statutorily required to elect a County Auditor; and finally, those units with populations between 10,000 and 275,000.

- **Municipalities**

Municipalities were also broken into three data categories: municipalities with a population above 25,000; municipalities serving a population below 1,000; and municipal governments with a population between 1,000 and 25,000.

Municipalities serving a population above 25,000 generally have home rule power, which allows the government to engage in significantly different fiscal practices than other municipalities. In FY 2002 reporting, 152 municipalities indicated home rule status.

Forty-five percent of Illinois' municipalities serve a population below 1,000 and these governments are referred to as small municipalities. These municipalities differ from the larger ones in two significant ways: they have substantially different service needs for their constituents, and they have substantially fewer professional resources to create budgets and report finances. Based on these two reasons small municipalities have been segregated.

- **Township and Special Purpose Governments**

Townships and all other special purpose governments have been segregated into two groups, appropriations less than or greater than \$200,000. In FY 2002 reporting townships and special purpose governments with appropriations greater than \$200,000 are required to submit an annual audit to the Office of the Comptroller.

Fiscal Indicators

The Fiscal Indicators section lists a series of financial "indicators" or measurements designed to assess the basic fiscal position of each unit of government. The data on each Individual Data Summary is listed as it was reported to the Comptroller by the local government. Figures used to calculate the averages and medians are the sum of data reported by the local governments for each specific measurement included. The Fiscal Indicators are divided into four distinct groupings: General and Special Funds, Equity, Debt and Enterprise Funds.

The Individual Data Summaries combine general and special revenue funds in the Fiscal Indicators section. Other fund categories [Capital Fund, Debt Service Fund, and Discretely Presented Components] are excluded because comparisons including these funds may be distorted by timing differences in capital spending and debt financing activities, which may result in large temporary fund balances. In addition, borrowing from capital projects and debt funds may be restricted by bond covenants.

The equity section of the Individual Data Summary indicates the amount of the local governments fund balance reserved or unreserved. Funds legally restricted to a specific project

are considered a “reserved fund balance.” All funds not legally restricted or dedicated to a specific project are considered an “unreserved fund balance.”

In the debt section of the Individual Data Summaries, the debt amounts in the governmental fund types and proprietary fund types have been combined to provide a comprehensive view of total debt.

Enterprise funds detail the financial activity in the fund established to account for operations financed and operated in a manner similar to private business enterprises [i.e. water, gas and electric utilities, transit systems]. These amounts have been provided, indicating revenue, expenditures and fund balance with various per capita breakdowns.

<p>NOTE: The financial information used to compile this report is self-reported by individual local governments. In addition to some financial data being excluded due to non-compliance, our review of the financial data submitted indicates that some local government officials and/or their accounting professionals made mathematical errors or misclassified financial data.</p>
--

FY 2002 GOVERNMENTAL FUND REVENUE

Local governments in the State of Illinois collect various types of revenue through locally imposed taxes, proceeds from state taxes, intergovernmental partnerships, federal grant dollars, local fees, Charges for Services, and additional sources.

As *Table 1* indicates, 4,929 units of local governments collected \$16.1 billion in revenue in FY 2002. The FY 2002 financial data from 1,243 municipalities [excluding the City of Chicago] accounted for more than one-third of *All Government Revenue*. County government collected approximately 15% of *All Government Revenue* in FY 2002. The total revenue from townships, park, library, fire protection and special purpose districts combined made up 19% or \$3 billion of *All Government Revenue* in FY 2002. The City of Chicago's \$4.6 billion in revenue accounted for 29% of *All Government Revenue* in FY 2002.

Local and state taxes accounted for 69% of *All Government Revenue* in FY 2002. The largest source of revenue for all units of government was Property Tax, accounting for 30% or \$4.8 billion of *All Government Revenue*. More than 4,500 of the 4,929 local governments in the FY 2002 data set reported collecting Property Taxes, indicating local governments' dependence on revenue from Property Taxes.

Table 1

FY 2002 Governmental Revenue		
Government Type	# of Governments in Data Set	FY 2002
<i>All Governments (including City of Chicago)</i>	<i>4,929</i>	<i>\$16,148,432,299</i>
<i>Counties</i>	<i>97</i>	<i>\$2,484,289,269</i>
<i>Municipalities (excluding City of Chicago)</i>	<i>1,243</i>	<i>\$5,808,052,729</i>
<i>Townships</i>	<i>1,364</i>	<i>\$485,542,226</i>
<i>Public Library Districts</i>	<i>300</i>	<i>\$213,406,564</i>
<i>Park Districts</i>	<i>316</i>	<i>\$1,074,907,698</i>
<i>Fire Protection Districts</i>	<i>776</i>	<i>\$321,944,604</i>
<i>Special Purpose Districts</i>	<i>832</i>	<i>\$962,419,682</i>

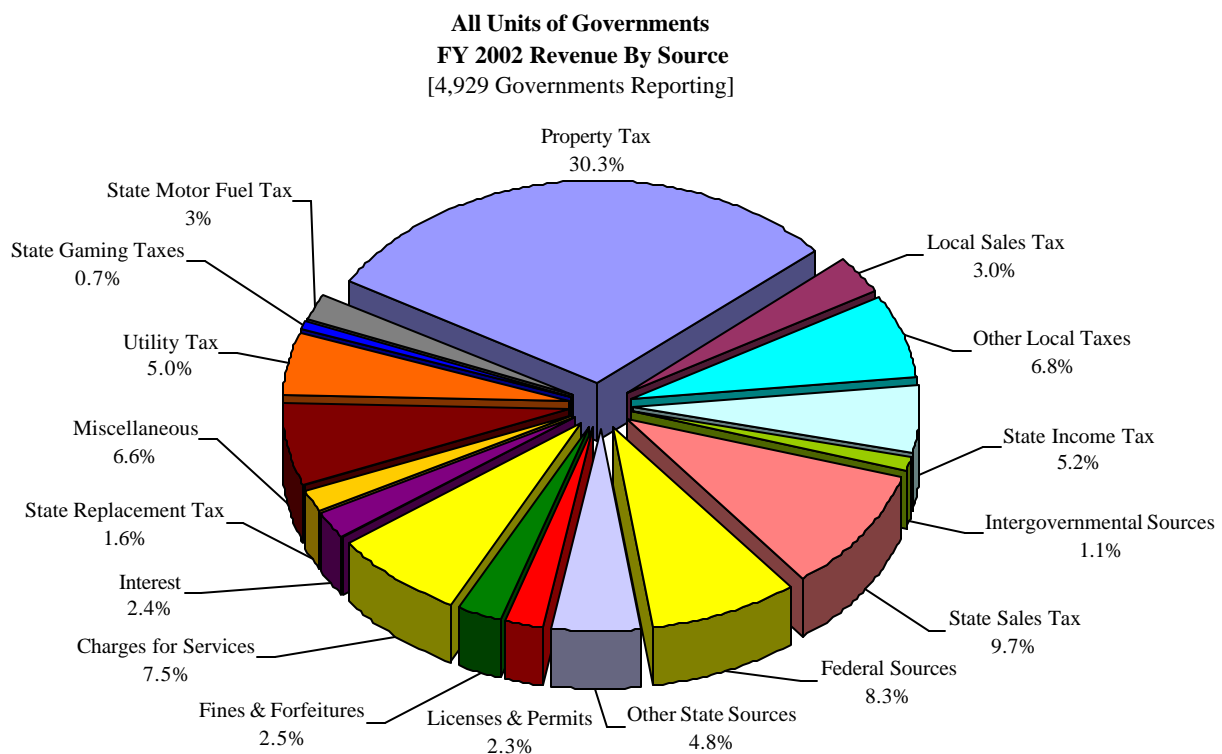
The revenue category Other State Sources is one of the fastest growing sources of revenue for local governments in FY 2002. FY 1999 – 2002 All Government Historical Data, which excludes the City of Chicago, shows 18% growth, from \$324 million in FY 1999 to \$540 million in FY 2002 [shown in *Appendix C – Table 1*]. Factors contributing to increased revenue in Other State Sources include the \$12 billion Illinois FIRST program and the expansion of the Community Development Assistance Program [CDAP].

As the federal and state economy continues to struggle, FY 2002 data indicates that local governments have begun utilizing alternative sources of revenue to avoid cutting and/or

eliminating key programs and services to its residents. Other Sources [further defined as Fines & Forfeitures, Charges for Services and Licenses & Permits] is one revenue category where this growth is evident. As detailed in the All Government Historical Revenue table [Appendix C – Table 1] Other Sources accounted for nearly 20% of All Government Revenue, a \$311 million increase over FY 1999 reporting. Facing increased fees from the state, the elimination of certain shared taxes, and reductions in tax distributions, local governments will continue to increase the usage of Other Sources to offset decreased revenue.

The following pages detail local government receipts and revenue for FY 2002. The City of Chicago is included in the data set titled *All Governments*, however it has been excluded from the dataset titled *Municipalities*. The City of Chicago’s FY 2002 and Historical Data can be found in *Appendix E*.

Graph 1



LOCAL TAXES

Local taxes account for 45% of all Local Government Revenue. Local taxes consist of revenue received through locally imposed taxes including: Property, Local Sales, Utility and Other Taxes. In FY 2002, local governments collected \$4.8 billion in Property Taxes, \$482 million in Local Sales Taxes, \$800 million in Utility Taxes, and \$1.1 billion in Other Local Taxes.

Table 2 details the amount of Local Taxes collected by local governments in FY 2002.

Property Tax ¹⁶

Property Tax is an *ad valorem* tax levied on an assessed valuation of real property by the legislative body of a local government. Property Tax is the primary source of income for local

governments. In FY 2002, Property Tax accounted for 30% of All Government Revenue, approximately \$4.9 billion.

Overwhelmingly, Property Taxes are used to fund basic governmental operations and services, such as infrastructure improvement, maintenance, and pensions. Non-home rule municipalities must have explicit statutory authority to impose Property Taxes for anything except the general corporate fund.

Local governments with the fewest taxing tools and programs are more dependent on Property Tax and local taxes than larger units of governments with diverse revenue sources [shown in *Table 2*]. Counties and municipalities rely on Property Taxes for 25-30% of their total revenue, while townships and special purpose districts rely on Property Taxes for approximately 70% of their total revenue.

For more information on FY 2002 county, municipal, township and special purpose district revenue see *Appendix A*.

Table 2

Local Taxes						
Government Type	Property Tax (c201)	Local Sales Tax (c202)	Utility Tax (c203)	Other Local Taxes (c204)	Total Local Taxes	% of Total Revenue
<i>All Governments (including City of Chicago)</i>	\$ 4,890,849,132	\$ 482,940,295	\$ 800,927,791	\$1,105,805,314	\$ 7,280,522,532	45%
<i>Counties</i>	\$ 779,538,331	\$ 39,779,307	\$ 692,139	\$ 24,155,186	\$ 844,164,963	34%
<i>Municipalities (excluding City of Chicago)</i>	\$ 1,490,823,203	\$ 252,692,602	\$ 311,728,572	\$ 211,343,441	\$ 2,266,587,818	39%
<i>Townships</i>	\$ 358,179,967	\$ 6,386	\$ 88,080	\$ 1,238,300	\$ 359,512,733	74%
<i>Public Library Districts</i>	\$ 181,061,556	n/a	n/a	\$ 39,339	\$ 181,100,895	85%
<i>Park Districts</i>	\$ 630,923,910	n/a	n/a	\$ 477,109	\$ 631,401,019	59%
<i>Fire Protection Districts</i>	\$ 265,872,444	n/a	n/a	\$ 547,950	\$ 266,420,394	83%
<i>Special Purpose Districts</i>	\$ 538,530,404	n/a	n/a	\$ 7,209,989	\$ 545,740,393	57%

Local Sales and Use Taxes¹⁷

Sales and Use Taxes are imposed on the sale or consumption of goods. Approximately 150 counties and municipalities reported Local Sales Tax revenue in FY 2002, totaling \$482 million. The City of Chicago accounted for \$190 million of the total local sales tax reported in the *Table 2 - All Governments*.

Home rule municipalities can levy a rate, in addition to the state-ordered sales tax rate in ¼ percent increments¹⁸. If a unit of local government does not have home rule powers, an

additional local sales tax can be imposed by referendum. Some municipalities with large central business districts or regional shopping centers may receive sufficient revenue from local sales to eliminate or substantially reduce the amount of Property Taxes levied.

County governments are authorized to impose, with voter approval, a countywide tax on sales of general merchandise for public safety.

Utility Tax¹⁹

Utility Taxes are levied on gross receipts of public or privately owned utilities which provide electric, gas, water or telephone service to residents. Utility Taxes represent \$800 million, or 5% of total FY 2002 revenue.

Approximately 500 municipalities imposed a Utility Tax in FY 2002, which accounted for approximately 5.3% of all municipal revenue. Municipalities are authorized without referendum to impose a Utility Tax of up to 5% of a utility's gross sales within the municipality. There are no restrictions on the use of these tax dollars.

Only four counties impose the Utility Tax and fewer than 10 townships reported a Utility Tax on their FY 2002 Annual Financial Reports.

Since FY 1999, Utility Taxes have increased from \$258 million to \$311 million in FY 2002 reporting, an Average Annual Growth Rate [AGR] of 6.4% [*Appendix C - Table 1*].

Other Local Taxes²⁰

This source consists of local taxes imposed on the sale or consumption of selected goods and services, such as motor fuel, alcohol and tobacco products, and taxes on business entities other than public utilities. Local governments reported receiving \$245 million from Other Local Taxes in FY 2002. The City of Chicago reported \$860 million in Other Local Taxes in FY 2002.

STATE SOURCES

Revenue received from various state, federal, and intergovernmental agencies are reported on the Annual Financial Report [AFR] as Intergovernmental Receipts and Grants. The majority of the financial data reported in this revenue category comes from various state sources such as State Gaming Tax, State Income Tax, State Sales Tax, State Motor Fuel Tax, and State Replacement Tax. In FY 2002, local governments collected almost \$4 billion in State Sources, accounting for 24% of All Government Revenue.

Table 3 details the State Sources collected by local governments in FY 2002.

Table 3

State Sources								
Government Type	State Income Tax (c211)	State Sales Tax (c212)	State Motor Fuel Tax (c213)	State Replacement Tax (c214)	State Gaming Tax (c205)	Other State Sources (c215)	Total State Sources	% of Total Revenue
<i>All Governments (including City of Chicago)</i>	\$ 845,717,068	\$ 1,565,938,680	\$ 358,116,586	\$ 250,303,862	\$ 111,964,418	\$ 779,871,861	\$ 3,911,912,475	24%
<i>Counties</i>	\$ 110,641,535	\$ 190,917,164	\$ 144,954,819	\$ 33,611,318	\$ 484,399	\$ 256,924,342	\$ 737,533,577	30%
<i>Municipalities (excluding City of Chicago)</i>	\$ 502,933,660	\$ 1,113,730,843	\$ 203,967,709	\$ 61,285,379	\$ 110,397,207	\$ 177,146,199	\$ 2,169,460,997	37%
<i>Townships</i>	\$ 212,742	\$ 15,832	\$ 8,054,434	\$ 27,413,498	\$ 270,326	\$ 15,744,499	\$ 51,711,331	11%
<i>Public Library Districts</i>	\$ -	\$ 27,342	\$ -	\$ 3,245,255	\$ -	\$ 8,375,220	\$ 11,647,817	5%
<i>Park Districts</i>	\$ -	\$ 2,520,386	\$ 14,397	\$ 44,398,759	\$ 765,041	\$ 22,669,587	\$ 70,368,170	7%
<i>Fire Protection Districts</i>	\$ -	\$ 6,146	\$ 1,827	\$ 5,853,193	\$ 4,652	\$ 6,793,343	\$ 12,659,161	4%
<i>Special Purpose Districts</i>	\$ -	\$ 29,691,967	\$ 1,123,400	\$ 33,023,343	\$ 42,793	\$ 56,680,015	\$ 120,561,518	13%

Income Tax²¹

State Income Taxes are revenues shared with local governments. The tax was enacted in 1969; the current rate is 3% for individuals and 4.8% for corporations. The statutes direct an amount equal to one-tenth of the net revenue realized from the State Income Tax to be shared with local units of government. This “sharing” of the state’s income tax revenue takes the form of monthly transfers to counties and municipalities through the state’s Local Government Distributive Fund.

State Income Tax represented \$845 million, or 5.2% of All Government Revenue. State Income Taxes are only available to municipalities and counties and are distributed proportionately by population. Municipal governments receive 8.7% and counties receive 4.5% of their total income from this source. In FY 2002, the City of Chicago received \$231 million in revenue from State Income Taxes.

For more information on municipal and county revenue see *Appendix A*.

State Sales Tax²²

Sales and Use Taxes are imposed on the sale or consumption of goods. The State Sales Tax was first enacted at a rate of 2% in 1933. Since then, the rate and base of taxable items have changed numerous times, with the last change occurring as part of sales tax reform measures adopted in January 1990.

The current State Sales Tax rate is 6.25% applied against a uniform tax base with the state retaining 5% and returning the remaining 1.25% to point-of-sale municipal and county governments. Home rule units can impose an additional sales tax rate without limitation.

The Illinois Sales Tax consists of two pairs of taxes that have two subparts: the Retailer’s Occupation Tax [ROT] and Use Tax and the Service Occupation Tax and Service Use Tax. The ROT is imposed on retailers’ gross receipts from the sale of tangible personal property, while the Use Tax is imposed on individuals using tangible personal property. The Service Occupation

Tax and Service Use Tax are similar to the ROT and Use Tax but applies to tangible property as an incident to the rendering of service for or by any governmental body, not-for-profit organization, foundation, institution, etc.

In addition to municipalities and counties, mass transit districts and some water reclamation districts have the ability to impose additional sales taxes. The sales tax rate is higher in Cook, DuPage, and Madison counties due to the additional collection of sales taxes for mass transit, water, and recreation services ²³.

Revenue from Sales Taxes represented \$1.5 billion, or 9.7% of total FY 2002 revenue. Illinois' municipalities are heavily reliant on state sales taxes, accounting for \$1.1 billion or 19% of all municipal revenue. The City of Chicago collected \$229 million in State Sales Tax in FY 2002. State sales tax accounted for 7.7% or \$190 million of county revenue in FY 2002.

Motor Fuel Tax ²⁴

The Motor Fuel Tax is distributed to local governments in the form of shared revenue, grants, entitlements, or payments in lieu of taxes. The tax is imposed on the privilege of operating motor vehicles on public highways or waterways in Illinois. The state imposes a 19-cent per gallon tax on motor fuel and 21.5-cent per gallon on diesel fuel. Distributors and suppliers pay this tax and pass it on to consumers as part of the pump price.

All state revenue from this tax is deposited into the motor fuel tax fund from which a specific percentage [54.4% after administrative costs for the Departments of Revenue and Transportation have been deducted from total collection²⁵] is returned to local governments after deductions for associated costs. The funds, distributed back to the local governments units are apportioned as follows:

- Municipalities receive 49%
- Cook County receives 16.74%
- Other 101 counties receive 18%
- Townships and road districts receive 15%

The uses of motor fuel tax funds are statutorily restricted to purposes relating to maintenance and construction of transportation and related facilities. Motor Fuel Tax accounted for \$358 million or 3.2% of all FY 2002 revenue.

Personal Property Replacement Tax ²⁶

Before 1970, Property Taxes were levied on personal property [cars, furniture, etc.] and real property [land and buildings] for both individuals and businesses. The 1970 Illinois Constitution abolished the individual personal Property Tax and gave the legislature until 1979 to abolish the business personal Property Tax and replace the revenue lost by units of local government with a new tax or set of taxes. In 1979 the General Assembly replaced the personal Property Tax on businesses with an income tax on corporations and an invested capital tax on public utilities. These funds were distributed based on shares of personal Property Tax collections in 1976 for units in Cook County and on the 1977 share for the remaining counties.

In FY 2002 reporting local governments reported receiving \$250 million in State Replacement Taxes, representing 1.6% of *All Government Revenue*.

Gaming Taxes

Three different Gaming Taxes can be distributed to local governments:

The Charitable Games Tax²⁷ is a 3% tax on gross proceeds received from the operator license fees of charitable games. The revenue is deposited into the Illinois Gaming Law Enforcement [IGLE] Fund, one-third of which is annually distributed to municipalities and counties for law enforcement purposes.

Pull Tabs and Jar Games Tax²⁸ are revenue received from the operator license fees and the five percent tax on gross proceeds of pull-tabs and jar games. These revenues are divided equally between the Common School Fund and the Illinois Gaming Law Enforcement [IGLE] Fund. One-third of the fund is distributed annually for law enforcement purposes to municipalities and counties in proportion to the number of licenses issued in each municipality or county.

Riverboat Gambling Taxes and License Fees²⁹ allow local governments to collect 50 percent of the admission tax collections, subject to appropriation, of the municipality or county in which the licensee operates. Twenty-five percent of the wagering tax revenue collected from each licensee is issued, subject by appropriation, to the local government designated as its home dock.

Local governments reported collecting \$112 million in Gaming Taxes in FY 2002, representing 1% of All Government Revenue. Municipalities received \$110 million and counties, township and park districts reported receiving the remaining \$2 million.

Other State Sources

Funds from the state, other than the statutorily mandated taxes, are classified as Other State Sources. Generally, funds reported in this category represent grants received from the state. Revenue local governments received from the \$12 billion Illinois FIRST has contributed to the increased amount of Other State Sources reported in FY 2002.

Other State Sources accounted for \$779 million, or 4.8% of all FY 2002 Local Government Revenue. Historical Data indicates that Other State Sources grew by 18% or \$217 million between FY 1999- 2002. Additionally, it is the fastest growing source of revenue for fire protection districts, park districts, and townships [shown in *Appendix C*].

Intergovernmental Funds from Federal and Other Local Governments

In FY 2002, local governments reported receiving \$1.3 billion from the federal government [shown in *Table 4*]. More than \$1 billion of this federal assistance was received by the City of Chicago; all other units of government combined received \$258 million in FY 2002. Traditionally, this revenue source represents grants for which a unit of government applies or qualifies.

Between FY 1999 and 2002, local governments saw a 7.5% annual increase in the total amount of federal funds received. Since 1999 reporting, townships and county government have reported the largest increases in Intergovernmental Funds. As Federal revenue rose from \$86

million in FY 1999 to \$148 million in FY 2002, counties reported a 19% annual increase historically and townships reported \$1.5 million increase since FY 1999 reporting [shown in *Appendix C – Table 3*].

Funds received from other local governments typically come from a joint funded program. Approximately 700 governments received funds from other local governments in FY 2002, representing \$176 million, or 1.1% of all receipts.

Table 4

Intergovernmental Sources				
Government Type	Federal (c225)	Intergovernmental (c226)	Total Intergovernmental Sources	% of Total Revenue
<i>All Governments (including City of Chicago)</i>	\$ 1,346,286,809	\$ 176,414,433	\$ 1,522,701,242	9%
<i>Counties</i>	\$ 148,320,510	\$ 90,389,571	\$ 238,710,081	10%
<i>Municipalities (excluding City of Chicago)</i>	\$ 87,738,572	\$ 55,863,033	\$ 143,601,605	3%
<i>Townships</i>	\$ 212,742	\$ 4,261,407	\$ 4,610,284	1%
<i>Public Library Districts</i>	\$ 111,894	\$ 1,116,321	\$ 1,228,215	1%
<i>Park Districts</i>	\$ 2,978,947	\$ 8,387,820	\$ 11,366,767	1%
<i>Fire Protection Districts</i>	\$ 743,487	\$ 1,743,952	\$ 2,487,439	1%
<i>Special Purpose Districts</i>	\$ 13,546,992	\$ 14,303,452	\$ 27,850,444	2%

OTHER SOURCES

Other Sources include all other revenue sources not derived from taxes including the following: Licenses & Permits, Fines & Forfeitures, Charges for Services, Interest, Miscellaneous, and Other Revenue.

Other Sources accounted for \$3.4 billion or 21% of all FY 2002 revenue. Charges for Services were the largest portion of Other Sources, representing \$1.2 billion or 7.5% of all revenue. Historical data indicates that each government type reported an increase in the amount of revenue from Charges for Services between FY 1999 – 2002. Townships reported a 35% annual increase, while public library districts reported a 15.7% annual increase, and municipalities reported a 14.9% annual increase. Nearly 14% of all county revenue was received from Charges for Services in FY 2002.

Table 5 details the amount of Other Sources collected by local governments in FY 2002.

Table 5

Other Sources							
Government Type	Licenses & Permits (c231)	Fines & Forefeitures (c233)	Charges For Services (c234)	Interest (c235)	Miscellaneous (c236)	Total Other Sources	% of Total Revenue
<i>All Governments (including City of Chicago)</i>	\$368,088,067	\$ 400,865,241	\$ 1,204,770,849	\$ 393,373,014	\$1,062,028,005	\$ 3,429,125,176	21%
<i>Counties</i>	\$ 42,967,441	\$ 105,529,599	\$ 335,062,274	\$ 64,128,187	\$ 116,193,147	\$ 620,913,207	25%
<i>Municipalities (excluding City of Chicago)</i>	\$235,174,996	\$ 107,330,419	\$ 365,412,700	\$ 149,207,335	\$ 368,608,963	\$ 990,559,417	17%
<i>Townships</i>	\$ 364,236	\$ 578,089	\$ 21,241,145	\$ 19,339,939	\$ 23,905,356	\$ 65,064,529	13%
<i>Public Library Districts</i>	\$ 229,449	\$ 2,609,913	\$ 2,255,475	\$ 6,956,235	\$ 7,375,767	\$ 19,197,390	9%
<i>Park Districts</i>	\$ 216,179	\$ 1,699,086	\$ 282,695,590	\$ 22,068,678	\$ 55,091,688	\$ 361,555,042	34%
<i>Fire Protection Districts</i>	\$ 412,127	\$ 199,472	\$ 13,672,569	\$ 8,127,558	\$ 17,965,884	\$ 39,965,483	12%
<i>Special Purpose Districts</i>	\$ 5,575,639	\$ 1,611,998	\$ 171,431,406	\$ 52,440,415	\$ 35,563,102	\$ 261,046,921	27%

FY 2002 GOVERNMENTAL FUND EXPENDITURES

Expenditures represent the amounts local governments spend for various programs and/or services. Local governments should report financial data for at least two expenditure categories, including General Government [the expenses incurred for general operation of the unit of government] and the category, which best describes the purpose/function [or program] the government provides.

Previously, many small and special purpose districts combined all expenditures into either the General Government category or a specific special purpose category, skewing the programmatic data. Over the past three years, we have seen improvements in the number of governments using various expenditure categories to indicate the programs and services they provide to their taxpayers.

In FY 2002, *All Governments Expenditures* totaled \$18.9 billion as detailed in *Table 6*. Municipalities [excluding City of Chicago] expended \$6.4 billion, accounting for half of *All Governments Expenditures*. The City Of Chicago's \$6.3 billion expenditures accounted for more than one-third of total local government expenditures.

Table 6

FY 2002 Governmental Expenditures		
Government Type	# of Governments in Data Set	Total
<i>All Governments (including City of Chicago)</i>	4,929	\$18,967,575,507
<i>County</i>	97	\$2,567,724,156
<i>Municipalities (excluding City of Chicago)</i>	1,243	\$6,420,394,332
<i>Township</i>	1,364	\$479,989,868
<i>Public Library Districts</i>	300	\$230,700,444
<i>Park Districts</i>	316	\$1,444,520,485
<i>Fire Protection Districts</i>	776	\$346,335,567
<i>Special Purpose Districts</i>	832	\$1,193,203,945

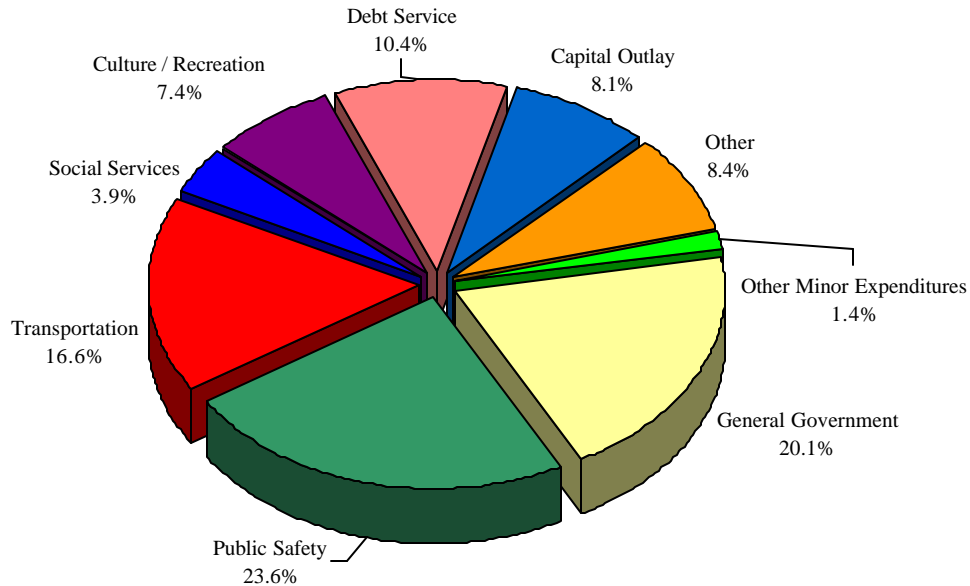
The largest expenditure category for local governments was Public Safety, accounting for 23.6% [shown in *Graph 2*] of *All Government Expenditures* in FY 2002. General Government accounted for 20.1% of *All Government Expenditures*. Transportation [16.6%], and Capital Outlay [8.1%] account for a significant proportion of local government expenditures.

Historical Data indicates that the Average Annual Growth Rate [AGR] of *All Government Expenditures* have experienced an increased growth rate of 6.2% since FY 1999 [shown in *Appendix D - Table 1*]. The largest categories of growth were Corrections [10.4%], Judiciary/Legal [8.1%], and Public Safety [7.5%].

The following pages detail local government expenditures for FY 2002. The City of Chicago is included in the data set titled *All Governments*, however it has been excluded from the data set titled *Municipalities*. The City of Chicago's FY 2002 and Historical Data can be found in *Appendix E*.

Graph 2

**All Units of Government
FY 2002 Expenditures By Program**
[4,929 Governments Reporting]



General Government

General Government expenditures should indicate the administrative costs for the day-to-day operation of a unit of local government. Included in these costs are legislative and judicial branch expenditures and administrative costs of the Chief Executive Officer and other top-level auxiliary and staff agencies in the administrative branch. These expenditures can also include financial administration [for the local governments financial divisions], general administrative buildings [not related to specific functions and agencies, such as police stations, libraries, jails, etc.], and Central Administration.

For many units of government, the population served, the type of programs/services offered, the amount of funding available, and the personnel required, determine the local governments administrative expenses. For instance, a unit of government with a large population will require a significant number of employees to deliver its programs and services, in turn increasing the amount of General Government expenditures.

Small units of government may have a high percentage of their funds spent on General Government because of a lack of resources to develop a programmatic budget or accounting system. However, in educational training efforts, the Local Government Division has instructed

local government officials to take additional steps to report expenditures into various programmatic expenditure categories provided on the AFR.

General Government was the second largest spending category in FY 2002, accounting for \$3.8 billion [shown in *Table 7*] or 20.1% [shown in *Graph 2*] of *All Government Expenditures*. Municipalities accounted for 30% of the total General Government expenditures. In FY 2002, the City of Chicago expended \$1.4 billion in General Government, illustrating the high administrative costs associated with serving a large population with numerous programs and services.

In FY 2002, the category Capital Outlay was added to the AFR, which accounts for a slight decrease in amount of General Government expenditures reported in FY 2002. Expenditures once reported in General Government for costs associated with construction, land and equipment are now reported in Capital Outlay.

Public Safety*

Public Safety includes expenditures for the protection of persons and property, primarily through police and fire protection services. Protective building inspection is also included in the category. In addition, several special purpose districts, such as mosquito abatement or soil and water conservation districts report a substantial amount of their annual expenditures in public safety.

Since September 11, several large counties and municipalities have received federal funds specifically for homeland security. Additionally \$182 million in Illinois FIRST funds were directed toward public safety programs, including fire, police, and 911 emergency response centers. These funds were specifically allocated to assist units of local government, which are considered the state's *first responders*. These additional federal and state grant revenue should be considered a factor in the growth in Public Safety expenditures since FY 1999 [shown in *Appendix D – Table 1*].

For the sixth straight year, Public Safety was the largest expenditure category accounting for \$4 billion [shown in *Table 7*], or 23.6% of all FY 2002 spending statewide. Municipalities spent \$2 billion for Public Safety, accounting for nearly half of *All Government Public Safety* expenditures. The Average Annual Growth Rate [AGR] for Public Safety for municipalities has been 8.3% since FY 1999 [shown in *Appendix D - Table 3*]. Townships have seen a tremendous growth rate of 20.3% [shown in *Appendix D - Table 4*] in Public Safety expenditures since FY 1999.

Corrections*

The Corrections category includes costs related to the confinement and correction of adults and minors serving time in local jails. Associated costs in the corrections category include probation, parole, and pardon activities. County governments are generally charged with responsibility for this programmatic expenditure, however some municipal governments may provide data for corrections.

Expenditures for corrections represented \$139.5 million [shown in *Table 7*] of total FY 2002 spending. Historically, Corrections expenditures have increased at an Average Annual Growth Rate [AGR] of 10.3% for all governments and 12.8% for counties, which accounted for 99% of the total amount Corrections spending in FY 2002 [shown in *Appendix D-Table 2*].

Judiciary and Legal*

Expenditures for the judicial activities of local governments include costs associated with criminal courts, grand jury, public defender, civil courts, and maintenance of the law library. In FY 2000, the definition of the category was expanded to include all costs associated with court procedures. County governments are usually charged with responsibility for these programs.

Expenditures for judiciary represented \$274.3 million of total FY 2002 spending [shown in *Table 7*]. Counties reported \$267.3 million of Judiciary and Legal expenses, while various government types reported the remaining \$7 million.

*In some cases, the Corrections, and Judiciary and Legal categories have been merged together into a Public Safety category when not represented in a specific table or chart.

Transportation and Public Works

Transportation and Public Works expenditures include: streets and highways [maintenance, operation, repair and construction], airports [operation, construction, support], parking meters [purchase, maintenance, collection], and facilities [construction, maintenance, operation]. In FY 2002 more than 1,000 public work projects were introduced in the Illinois FIRST program and a significant amount of the funds for these projects were directed and expended by local governments.

Historical data indicates a decrease in Transportation and Public Works expenditures, however the redefinition of this category and the addition of the Capital Outlay category are contributing factors in the decrease. Transportation and Public Works was the third largest expenditure in FY 2002, totaling \$3.1 billion [shown in *Table 7*], or 16.6% [shown in *Graph 2*] of all local government spending. More than 2,600 units of government reported expenditures in the Transportation and Public Works expenditure category.

Social Services

The category Health and Welfare was redefined and named Social Services in FY 2000. Social service expenditures are related to the preservation and improvement of public health, public assistance, and institutional care for economically disadvantaged individuals. Welfare, public health, hospitals and operations and cemeteries are all included under this expenditure category.

Social Services expenditures were reported by 2,300 units of government in FY 2002 and totaled \$748 million [shown in *Table 8*] representing 3.9% of total local government expenditures.

Table 7

FY 2002 Governmental Expenditures					
Government Type	General Government (c251)	Public Safety (c252)	Corrections (c253)	Judiciary / Legal (c254)	Transportation (c255)
<i>All Governments (including City of Chicago)</i>	\$ 3,813,667,269	\$ 4,068,589,143	\$ 139,510,701	\$ 274,306,266	\$ 3,143,651,873
<i>Counties</i>	\$ 564,252,080	\$ 328,868,629	\$ 139,433,919	\$ 267,251,339	\$ 302,222,601
<i>Municipalities (excluding City of Chicago)</i>	\$ 1,147,424,670	\$ 2,024,426,491	\$ 76,782	\$ 6,684,709	\$ 992,850,191
<i>Township</i>	\$ 184,927,098	\$ 4,090,836	\$ -	\$ 170,397	\$ 166,495,712
<i>Public Library Districts</i>	\$ 29,087,717	\$ 29,899	\$ -	\$ 424	\$ -
<i>Park Districts</i>	\$ 245,147,810	\$ 1,943,742	\$ -	\$ 70,581	\$ 3,031,361
<i>Fire Protection Districts</i>	\$ 37,098,791	\$ 234,794,162	\$ -	\$ 109,453	\$ 167,759
<i>Special Purpose Districts</i>	\$ 200,604,103	\$ 9,465,384	\$ -	\$ 19,363	\$ 273,401,249

Culture and Recreation

Culture and Recreation includes programs and services for cultural and recreational activities maintained for the benefit of local government residents and visitors. These activities may include the administration, operation, and maintenance costs associated with the parks, libraries, museums, civic centers, swimming pools, and other cultural and recreational entities. Special purpose governments such as libraries and parks list the majority, if not all, of their spending in this category.

More than 2,000 local governments recorded Culture and Recreation expenditures in FY 2002. Local governments spent \$1.4 billion, or 7.4% of All Government Expenditures on Culture and Recreation in FY 2002 [shown in *Table 8*]. Public library districts reported 64% of all governmental expenditures in Culture and Recreation while park districts reported 45% of its FY 2002 expenditures in this category.

Housing

Housing was introduced as an expenditure category on the FY 2000 AFR. This category was added to allow local governments to indicate their programmatic expenditures in public and private housing as well as community development. Housing covers the operational and construction costs to support housing and redevelopment projects. In addition, the costs for governments to provide housing for needy or disabled persons are included in the category. Approximately 100 counties and municipalities reported \$69.3 million in housing expenditures in FY 2002.

Debt Service

Debt service includes interest and principal payments on general long-term obligations and interest amounts applicable to other debt instruments. Total spending for Debt Service was \$1.9 billion in FY 2002, or 10.4% of total FY 2002 spending. Between FY 1999 and 2002, *All Governments* reported a 4.3 % increase in Debt Service expenditures. Illinois' townships

[25.5%] and public library districts [19%] reported the largest Average Annual Growth Rate [AGR] in Debt Service expenditures since FY 1999 reporting.

Other Expenditures

Other Expenditures should be used to record expenditures that do not fit into any other expenditure program. In FY 2002, Other Expenditures totaled \$1.5 billion or 8.4% of total spending.

Table 8

FY 2002 Governmental Expenditures					
Government Type	Social Services (c256)	Culture / Recreation (c257)	Housing (c258)	Debt Service (c259)	Other (c260)
<i>All Governments (including City of Chicago)</i>	\$ 748,782,674	\$ 1,412,188,040	\$ 69,369,983	\$ 1,968,309,370	\$ 1,592,398,605
<i>Counties</i>	\$ 390,706,974	\$ 30,540,142	\$ 20,522,745	\$ 134,681,351	\$ 119,193,484
<i>Municipalities (excluding City of Chicago)</i>	\$ 66,120,901	\$ 390,839,159	\$ 46,848,819	\$ 588,715,905	\$ 296,042,113
<i>Township</i>	\$ 58,948,817	\$ 8,091,248	\$ 606,486	\$ 14,844,589	\$ 10,449,921
<i>Public Library Districts</i>	\$ 78,491	\$ 148,329,072	\$ -	\$ 23,274,345	\$ 2,354,261
<i>Park Districts</i>	\$ 259,547	\$ 656,853,153	\$ 39,643	\$ 283,171,040	\$ 30,319,422
<i>Fire Protection Districts</i>	\$ 629,208	\$ 2,031	\$ 2,840	\$ 31,204,242	\$ 11,761,799
<i>Special Purpose Districts</i>	\$ 54,045,736	\$ 93,837,525	\$ 1,349,450	\$ 242,239,898	\$ 25,015,605

Environment

An expenditure category added in FY 2000, Environment reflects the costs for the provisions and maintenance of clean land and water supplies. The two leading categories of Environment are sewage and solid waste management. In FY 2002, 450 local governments spent \$162 million to maintain or improve the environment [as shown in *Table 9*].

Public Utilities

Public Utilities category is intended to capture expenditures for the administrative costs of any publicly owned water, electric, transit or other utility companies. The category was added in FY 2000. However, many local governments incorrectly report expenses associated with payments to utility companies in this category. In FY 2002, local governments expended \$25.5 million for Public Utilities.

Capital Outlay

A category added to the FY 2002 AFR, Capital Outlay is defined as the costs associated with capital programs such as construction and/or the cost to purchase land, structures, and equipment. In previous years local governments included costs associated with construction and land acquisition in the expenditure category for which the projects were being completed. The addition of this category allows for easier identification of local governments annual expenditures for capital projects. More than 1,300 units of government reported spending \$1.5 million or 8.1% of total expenditures for capital projects in FY 2002.

Table 9

FY 2002 Governmental Expenditures				
Government Type	Public Utility (c271)	Depreciation (c272)	Environment (275)	Capital Outlay (c280)
<i>All Governments (including City of Chicago)</i>	\$ 25,972,944	\$ 3,900,646	\$ 162,055,377	\$ 1,544,872,616
<i>Counties</i>	\$ 744,392	\$ 137,606	\$ 31,818,259	\$ 237,350,635
<i>Municipalities (excluding City of Chicago)</i>	\$ 22,813,044	\$ 3,762,680	\$ 88,492,516	\$ 745,296,352
<i>Township</i>	\$ 121,960	\$ -	\$ 753,322	\$ 30,489,482
<i>Public Library Districts</i>	\$ 2,697	\$ -	\$ -	\$ 27,543,538
<i>Park Districts</i>	\$ 35,748	\$ -	\$ 1,599	\$ 223,646,839
<i>Fire Protection Districts</i>	\$ 44,445	\$ -	\$ 800	\$ 30,520,037
<i>Special Purpose Districts</i>	\$ 2,210,658	\$ 360	\$ 40,988,881	\$ 250,025,733

FY 2002 GOVERNMENTAL FUND BALANCE

Fund balance is defined as the difference between current year expenditures and current year revenue; including the previous years fund balance. A unit of local governments' fund balance can be used to measure the overall financial condition of a unit of local government.

The FY 2002 ending fund balance for local governments was \$11.5 billion, a \$54 million decrease from the beginning fund balance. FY 2002 is the first time all local government reporting indicates a decrease in the ending fund balance. In addition, municipalities and park districts reported decreased ending fund balances from their beginning fund balance. Spending down fund balances is one alternative many local governments are utilizing to lessen the impact that the fiscal squeeze is having on the programs and services local governments offer its residents.

Table 10

FY 2002 Governmental Fund Balance					
Government Type	Previous Year Fund Balance (c307)	Current Fund Balance (c310)	Total Expenditures	Over/Under Beginning Year Fund Balance	Ratio of Fund Balance to Expenditures
<i>All Governments (including City of Chicago)</i>	\$11,596,684,571	\$11,542,616,164	\$18,967,575,507	(\$54,068,407)	61%
<i>Counties</i>	\$2,250,230,131	\$2,266,558,735	\$2,567,724,156	\$16,328,604	88%
<i>Municipalities (excluding City of Chicago)</i>	\$4,319,697,880	\$4,304,866,414	\$6,420,394,332	(\$14,831,466)	67%
<i>Township</i>	\$546,685,574	\$568,564,371	\$479,989,868	\$21,878,797	118%
<i>Public Library Districts</i>	\$183,548,928	\$214,315,262	\$230,700,444	\$30,766,334	93%
<i>Park Districts</i>	\$700,317,775	\$607,365,430	\$1,444,520,485	(\$92,952,345)	42%
<i>Fire Protection Districts</i>	\$225,139,625	\$237,322,833	\$346,335,567	\$12,183,208	69%
<i>Special Purpose Districts</i>	\$1,497,077,658	\$1,603,240,119	\$1,193,203,945	\$106,162,461	134%

During the past three years, the Office of the Comptroller has done extensive research both on fund balances as an indicator of fiscal health or stress and on the legality of "high" fund balances. A healthy fund balance is a leading indicator of sound fiscal health and various local government organizations/associations advise and offer recommendations regarding fund balances. The Government Finance Officers Association [GFOA] recommends that local governments, "at minimum...maintain an unreserved fund balance in the General Fund of no less than 5 – 15% of general revenues or no less than two months of regular expenditures."

In addition, it is also recommended that units of government dependent on property taxes maintain a fund balance equal to three to six months of their spending. However, various factors contribute to the fund balance a unit of local government should retain. A local governments' reliance on property taxes, the timeframe in which local governments receive state or county revenue, and the diversity of its revenue sources are some factors to be considered in determining the amount a unit of local government should retain in its fund balance.

The Annual Financial Report [AFR] collects information regarding local governments spending and fund balance [previous & current year] to measure the Ratio of Fund Balance to Expenditures, which is contained on the Individual Data Summaries. Ratio of Fund Balance to Expenditures represents the amount of general and special fund expenditures divided by the fund balance. The ratio of fund balance to expenditures for *All Governments* in FY 2002 was 61%, representing a seven-month reserve.

In the fall of 2001, the Office of the Comptroller along with Township Officials of Illinois [TOI] collaborated to research and inform township officials throughout the state about establishing and maintaining sound fiscal health. One component of the collaboration was case law research, which revealed that local governments carrying a fund balance equal to two years of their spending is illegal. Illinois courts have ruled that excess accumulations of tax dollars in one or more of a unit of local government's funds is illegal and that high fund balances can result in lawsuits and successful challenges to a local government's tax levies.

As a result of our research and partnership with TOI, hundreds of townships modified their financial reporting, reduced levies, and refunded surplus tax dollars or legally dedicated funds for specific projects. This saved taxpayers more than \$1 million. Additionally, the Equity section of the AFR collects information regarding reserved and unreserved fund balances, which are highlighted on the Individual Data Summaries. If a portion of the fund balance has been legally restricted to a specific project, those funds are considered a "reserved fund balance." All funds not legally restricted or dedicated to a specific project are considered an "unreserved fund balance." In FY 2002, local governments indicated that \$3.5 billion of their \$11.5 billion fund balances are reserved.

In FY 2002, 287 units of government reported negative or zero fund balances. A negative or zero fund balance is a serious sign of fiscal stress. If a unit of government uses modified accrual or accrual basis of accounting, a negative fund balance could be a result of revenue a local government anticipates receiving after its fiscal year has ended. A review of the audits submitted by municipalities with negative fund balances reveal that their negative fund balances were due to over-expensed or unexpected capital projects. More than half of the units of government reporting negative or zero fund balances operate on a cash basis, which indicates that these units of government could be experiencing serious fiscal stress. Those units of government of greatest concern are the thirteen units of government reporting a negative fund balance at the beginning and the end of the fiscal year.

During the next several months the Local Government Division will continue to monitor the financial activity of local governments, specifically fund balances, to determine what additional research and assistance can be offered to local governments experiencing fiscal stress. If the financial condition of some of these units of government continues to deteriorate, the Office of the Comptroller will form intergovernmental partnerships with various state and local entities to assist those units of government being most critically affected.

CHART OF ACCOUNTS

Following is a detailed, line-by-line description of the Annual Financial Report [AFR] which units of local government are required to fill out as prescribed in the *Governmental Account Audit Act*¹, *Counties Code*², and the *Municipal Code*³ to produce the *Fiscal Responsibility Report Card*⁴. All financial data contained in the FY 2002 Report Card has been generated from financial reports based on this Chart of Accounts.

ASSETS/LIABILITY/EQUITY

Assets:

- c101 Cash and Cash Equivalent:** Available bank deposits [checking accounts, NOW accounts, saving accounts, money market accounts] and currency, coin, checks and money orders on hand, including petty cash and amounts held by fiscal agents.
- c102 Investments:** Securities [certificates of deposit, treasury bills, repurchase agreements, etc.] and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. Amounts should exclude real estate used or held for future use in governmental operations as reported in the General Fixed Assets Account Group.
- c115 Receivables:** Amounts not yet collected or other amounts that are not included in these detailed descriptions.
- c109 Inventories:** Materials and supplies on hand for future consumption or resale. Goods held for resale rather than for use in operations.
- c111 Fixed Assets:** Land, buildings, improvements and equipment with a life expectancy of greater than one year.
- c112 Other Assets:** Any tangible or intangible asset, the benefit of which will be realized in the future and that has not been reported in another account.
- c113 Amount Available For Retirement Of Long-Term Debt:** The amount of assets available in debt service and/or funds for the retirement of general long-term debt.
- c114 Amount To Be Provided For Payment Of Long-Term Debt:** The amount to be provided from taxes or other general revenue to retire outstanding general long-term debt or other long-term obligations.
- c120 TOTAL ASSETS:** The sum of Codes 101 through 114.

Liabilities:

- c122 Payables:** Amounts owed on open accounts to private persons or organizations for goods and services furnished to a government. Also includes vouchers payable which have been pre-audited and approved for payment but which have not been paid. This code should not be used to represent expenditures made during the reporting year, only salaries still owed.
- c132 Deferred Revenue:** Amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met. Under the modified accrual basis of accounting, such amounts are measurable but not available [for units using the accrual method of accounting].
- c133 Debt Service Payable - Principal:** Current liabilities for the principal portion of the government's debt instruments such as bonds, notes, leases, installment purchase agreements, other obligations and all special assessment bonds should be shown in their

respective funds. Long-term amounts should be classified as long-term liabilities in appropriate fund types or included in the long-term debt Account Group.

- c134 Debt Service Payable – Interest:** Current liabilities for the interest portion of the government’s debt instruments such as bonds, notes, leases, installment purchase agreements, and other obligations. All special assessment bonds should be shown in the Proprietary Funds column [Includes Enterprise, Internal Service and Fiduciary columns].
- c128 Other Liabilities:** Record all liabilities not listed under other categories. Include accrued wages, vacation and sick pay.
- c135 TOTAL LIABILITIES:** The sum of Codes 125 through 133.

Equity:

- c136 Fund Balance – Reserved:** The portion of a fund balance segregated to indicate resources legally restricted for future year payments. Fund balance may be reserved for advances to other funds, debt service, employee retirement systems, encumbrances, endowments, fixed assets held for resale, inventories, nonrecurring loans receivable, and prepaid items.
- c137 Fund Balance – Unreserved:** The total designated and undesignated unreserved fund balance. The designated unreserved fund balance indicates tentative managerial plans to utilize financial resources in a future period that may never be legally authorized or result in expenditures. The designated unreserved fund balance should be clearly distinguished from the reserved fund balance. The undesignated unreserved fund balance indicates the remaining portion of the unreserved fund balance.
- c138 Retained Earnings – Reserved:** A portion of retained earnings segregated in accordance with the terms of a revenue bond indenture for current debt service, operations and maintenance, or bond renewal and replacement.
- c139 Retained Earnings – Unreserved:** The total designated and undesignated unreserved retained earnings. The designated unreserved retained earnings indicate tentative managerial plans to utilize financial resources in a future period that may never be legally authorized or result in expenditures. The designated unreserved retained earnings should be clearly distinguished from the reserved retained earnings.
- c140 Contributed Capital:** Permanent fund capital contributed to a proprietary fund by sources such as the general government resources, customers, subdivision developers and builders, or other governments.
- c141 Investment In General Fixed Assets:** A general fixed assets account, which represents the government's equity in general fixed assets.
- c142 TOTAL EQUITY:** The sum of Codes 136 through 142.
- c145 TOTAL LIABILITIES AND EQUITY:** The sum of Codes 135 and 142.

REVENUE

Local Taxes:

- c201 Property Tax:** Ad valorem taxes levied on an assessed valuation of real property.
- c202 Local Sales Tax:** Local taxes imposed upon the sale or consumption of goods in addition to the state imposed sales tax.

- c203 Utilities Tax:** Taxes levied in proportion to gross receipts on public or privately owned public utilities that provide electric, gas, water and/or telephone service. Utility taxes have been divided into four categories:
- c203a Electric Utilities**
 - c203b Water Utilities**
 - c203c Communications Utilities**
 - c203d Other [Explain]**
- c204 Other Taxes:** Locally assessed taxes imposed on the sale or consumption of selected goods and services, such as motor fuel, alcohol products, tobacco products, income taxes assessed on either individuals or corporations and any other gross receipts and taxes on businesses other than public utilities.

Intergovernmental Receipts and Grants:

- c211 State Income Tax:** Revenue from the state government in the form of grants, entitlements, shared revenue, or payments in lieu of taxes, which are derived from the state income tax. Includes funds that the state provides from the Local Government Distributive Fund.
- c212 State Sales Tax:** Revenue from the state government in the form of grants, entitlements, shared revenue, or payments in lieu of taxes, which are derived from the State Sales tax. The state redistributes 1.5% from the 7.5% sales tax that the state collects based on local consumption.
- c213 State Motor Fuel Tax:** Revenue from the state government in the form of grants, entitlements, shared revenue, or payments instead of taxes that are derived from the State Motor Fuel tax. The monies that the state redistributes from the Motor Fuel tax are based on local consumption and other grant formulas.
- c214 State Replacement Tax:** Revenue from the state government in the form of grants, entitlements, shared revenue, or payments instead of taxes that are derived from the State Personal Property Replacement tax.
- c205 State Gaming Tax[es]:** The amount of revenue received from Riverboat Gaming, Racing Privilege Tax, Charitable Games Tax or Pull-Tabs and Jar Games Tax.
- c215 Other State Sources:** Revenue from the state government in the form of grants, entitlements, shared revenue, or payments instead of taxes, which are derived from any state sources other than those listed above. State Sources have been separated into the following ten categories:
- c215a General Support:** Funds for administrative costs for developing, implementing or supporting program.
 - c215b Public Welfare:** State aid for public welfare purposes; medical care and related administration under public assistance programs, federal categorical assistance [through AFDC]; non-categorical assistance; and administration of local welfare. Include revenue from state governments for increased benefits under the SSI program.
 - c215c Health and/or Hospitals:** State aid or grants for local health programs; maternal and child health; alcohol, drug abuse, and mental health; environmental health; nursing aid; hospital financing [including construction]; and hospitalization of patients in local government hospitals. Exclude State aid medical care under public assistance

- programs such as Medicaid and those costs recorded under Public Welfare [c215b]
- c215d** **Streets and Highways:** Grants distributed from the State other than funds distributed from under the Motor Fuel tax law. Funds from the Motor Fuel Tax distribution formula should be included under Motor Fuel Tax [213]. Exclude all funds for mass transit that should be recorded under Mass Transit [215i]
 - c215e** **Culture and Recreation:** Revenue distributed for cultural or recreation facilities operated by a government [swimming pools, recreational marinas and piers, golf courses, skating rinks, parks, libraries, museums, zoos, camping areas, refreshment stands, fit shops, etc].
 - c215f** **Housing and Community Development:** State aid or grants for construction or operation of public housing. Includes rent subsidy programs; repair and renovation of existing houses; and rural, urban and community development.
 - c215g** **Water Supply System:** State aid or grants for maintenance, operation, and construction of public water supply systems, water purification plants, etc.
 - c215h** **Electric/Gas Power System:** State aid or grants for maintenance, operation, and construction of public electric power generating plants or natural gas supply and related transmission or distribution systems.
 - c215i** **Mass Transit:** State aid or grants for maintenance, operation, and construction of public mass transit systems.
 - c215j** **Other [Explain]:** All other state aid or grants that are not classified under any other category.
- c225** **Federal:** Revenue from the federal government in the form of grants, entitlements, shared revenue, or payments instead of taxes. Federal revenue and receipts have been separated into the following ten categories:
- c225a** **General Support:** Federal aid or grants for the administration costs of the government.
 - c225b** **Public Welfare:** Federal aid for categorical programs [AFDC]; medical assistance programs [Medicaid] even if received by a public hospital; care in nursing homes not associated with hospitals; food stamp administration; child welfare services; low-income energy assistance; social land community services block grants; refugee assistance; work incentives program [WIN]; and related administration.
 - c225c** **Health and/or Hospitals:** Federal aid for alcohol; drug abuse, and mental health; communicable disease control; maternal and child health; special supplemental food program [WIC]; environmental health; and care of veterans in state hospitals, including construction of facilities.
 - c225d** **Streets and Highways:** Federal aid distributed from the Federal Highway Trust or other funds for approved projects and for highway safety.
 - c225e** **Culture and Recreation:** Federal aid or grants distributed for cultural or recreation facilities operated by a government [swimming pools, recreational marinas and piers, golf courses, skating rinks, parks, libraries, museums, zoos, camping areas, refreshment stands, fit shops, etc].

- c225f **Housing and Community Development:** Federal aid or grants for construction or operation of public housing; rent subsidy programs; and rural, urban and community development.
 - c225g **Water Supply System:** Federal aid for maintenance, operation, and construction of public water supply systems, water purification plants, etc.
 - c225h **Electric/Gas Power System:** Federal aid for maintenance, operation, and construction of public electric power generating plants or natural gas supply and related transmission or distribution systems.
 - c225i **Mass Transit:** Federal aid for maintenance, operation, and construction of public mass transit systems.
 - c225j **Other [Explain]:** Federal aid or grants that are not classified under any other category.
- c226 Other Intergovernmental Sources:** Revenue from other governments in the form of grants, entitlements, shared revenue, or payments instead of taxes, which are derived from any sources other than those listed above.
- Other Sources:**
- c231 **Licenses and Permits:** Revenue from businesses, occupations or non-business activities, which must be licensed before doing business within the government's jurisdiction or before an activity [motor vehicle operation, hunting, marriage or pet ownership], may be conducted within the government's jurisdiction.
 - c233 **Fines and Forfeitures:** Moneys derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations and for the neglect of official duty; moneys derived from confiscating deposits held as performance guarantees.
 - c234 **Charges For Services:** Revenue received from specific services or regulation the local governments charge individuals, groups or business. The category has been separated into the following 11 functions:
 - c234a **Water Utilities:** Revenue from operations of public water supply systems, such as sale of water to residential, industrial, and commercial customers [including bulk water for resale by other private or public water utilities]; connection and "tap" fees; sprinkler fees; meter inspection fees; late payment penalties and other revenue from operations.
 - c234b **Gas Utilities:** Revenue from operations of public gas supply systems, such as sale of natural gas to residential, commercial, and industrial customers [including natural gas for resale by other private or public gas supply utilities]; connection fees; and other revenue from operations.
 - c234c **Electric Utilities:** Revenue from operations of electricity supply systems, such as sale of electricity to residential, commercial, and industrial customers including: electricity for resale by other private or public gas supply utilities; connection fees; and other revenue from operations.
 - c234d **Transit Utilities:** Revenue from operations of public mass transportation systems [rapid transit, subway, bus, street railway, and commuter rail services], such as fares, charter fees, advertising income, and other revenue from operations.
 - c234e **Sewer Utilities:** Charges for sewage collection and disposal, including sewer connections.

- c234f **Refuse and Disposal Charges:** Fees for garbage collection and disposal; operation of landfills; sale of recyclable materials; cleanup of hazardous wastes; and sale of electricity, gas, steam, or other by-products of waste resource recovery or cogeneration facilities.
- c234g **Parking:** Revenue from on-street and off-street parking meters and charges and rentals from locally owned parking lots or public garages.
- c234h **Housing:** Gross rentals, tenant charges, and other revenue from operation of public housing projects; and fees for housing mortgage insurance [e.g., FHA-insured loans].
- c234i **Highway or Bridge Tolls:** Fees from toll roads, bridges, and ferries; rents and other revenue from consigns; and other charges for use of toll facilities.
- c234j **Culture and Recreation:** Gross revenue of facilities operated by a government [swimming pools, recreational marinas and piers, golf courses, skating rinks, parks, libraries, museums, zoos, etc]; auxiliary facilities in public recreation areas [camping areas, refreshment stands, fit shops, etc]; lease or use fees from stadiums or convention centers; and rentals from concessions at such facilities.
- c234k **Other[Explain]:** Charges for any other services not provided in other categories.
- c237 **Drainage Assessment:** The assessment amount collected from property owners in a drainage district.
- c235 **Interest:** Amounts earned from investments held by the government. Include interest income from Enterprise, Internal Service, and Fiduciary funds in this account] previously recorded in Interest Income.
- c236 **Miscellaneous:** Amounts earned or charged by the government for purposes other than those described above.
- c240 **TOTAL RECEIPTS/REVENUE:** The sum of Codes 201 through 236.

EXPENDITURES AND EXPENSES

- c251 **General Government:** Expenditures for the legislative branch of government; also, expenditures made by the Chief Executive Official and other top level auxiliary and staff agencies in the administrative [executive] branch of the government. The general government function has been separated into the following four categories:
 - c251a **Financial Administration:** Expenditures and expenses for financial divisions such as auditor, comptroller, treasurer, central accounting, budgeting purchasing, tax administrations, and revenue collection. Cost of insurance and debt issuance, human resources, are generally paid from this resource.
 - c251b **General Administrative Buildings:** Construction, equipment, maintenance, and operation of general public buildings not related to specific functions or agencies [excludes police stations, firehouses, libraries, jails, hospitals, and courthouses].

- c251c Central Administration:** Government-wide executive, administrative and staff service agencies other than financial, judicial, legal, and federal or state legislative activities.
- c251d Other [Explain]:** All other administrative provisions included but not limited to, provisions and operation of publicly-owned commercial facilities not classified under particular functions or utilities; or legislative bodies and related activities involved in the making, enacting, and repeal of laws.
- c252 Public Safety:** Expenditures for the protection of persons and property. The majority of sub-accounts under Public Safety are police protection, fire protection and protective inspection. This category has been separated into the following four functions:
 - c252a Police:** Cost of police departments including all forensic services, police communications, building or other facilities used exclusively for police purposes.
 - c252b Fire:** Cost of prevention, avoidance, and suppression of fires and provision of ambulance, medical, rescue, or auxiliary services provided by fire protection agencies.
 - c252c Regulation-Building Inspection:** Cost of regulation and inspection of private establishments for the protection of the public or to prevent hazardous conditions NOT classified under another major function.
 - c252d Other[Explain]:** All other costs related to public safety that are not classified in other functions.
- c253 Corrections:** Expenditures for the confinement and correction of adults and minors convicted of offenses against the law and pardon, probation and parole activities. Include costs for probation officers and non-residential halfway houses. This function generally only applies to counties. It may apply to a few municipalities.
- c254 Judiciary and Legal:** Expenditures for the judicial activities of the government, including criminal courts, grand jury, public defender, civil courts and the law library. Include the cost of legal departments, general counsels, and attorneys providing government-wide services.
- c255 Transportation and Public Works:** The sub-accounts for Transportation and Public Works are Highways, Streets, Airports and Parking - Expenditures for roadways and walkways according to the type of facility involved. However, roadways and walkways in parks are not charged to this account but to appropriate accounts under the function of Culture and Recreation. Transportation and related Public Works have been separated into the following five functions:
 - c255a Streets and Highways:** Maintenance, operation, repair, and construction of non-toll highways, streets, roads, alleys, sidewalks, bridges, tunnels, ferry boats, viaducts, and related structures. Include the cost for snow and ice removal.
 - c255b Airports:** Provisions, operation, construction, and support of airport facilities serving the public-at-large.
 - c255c Parking Meters:** Purchase and maintenance of parking meters, on street and off street parking lots, and collection of monies from them.
 - c255d Parking Facilities:** Provision, construction, maintenance, and operation of local government public parking facilities operated on a commercial basis.

- c255e **Other [Explain]:** All other transportation or public works projects related to transportation that is not included in other functions.
- c256 **Social Services:** Public welfare and public health services for assistance and health care. This function has been separated into the following five categories:
 - c256a **Welfare:** Administration of medical and cash assistance, general relief, vendor and other welfare programs. Grants or cash payments made directly to individuals contingent upon their need. Payment under public welfare programs made directly to private vendors. Provision, construction and maintenance of nursing homes and welfare institutions owned and operated by a government for the benefit of veterans or needy persons.
 - c256b **Health [Other Than Hospitals]:** Provision of services for the conservation and improvement of public health, other than hospital care and financial support of health programs. Public health administration, laboratories, public education, vital statistics, research, and other general health activities fall under this category.
 - c256c **Hospitals Operations:** Hospital facilities providing in-patient medical care and institutions primarily for care and treatment of the disabled, which are directly administered by government. Also covers direct payment for acquisition or construction of hospitals whether or not the government will operate the completed facility.
 - c256d **Cemeteries:** Provision or maintenance, improvement or upkeep of public cemeteries. Also includes any costs with acquiring the cemetery.
 - c256e **Other [Explain]:** All other costs associated with services not provided in other categories.
- c257 **Culture and Recreation:** Expenditures for cultural and recreational activities maintained for the benefit of residents, citizens and visitors. Culture and Recreation has been separated into the following three categories:
 - c257a **Library:** Provisions and support of public libraries facilities maintained for the benefit of residents and visitors. Include the costs for building, books, and subscriptions.
 - c257b **Parks:** Provisions and support of park districts for the benefit of residents and visitors. Include roads, golf courses, playgrounds, tennis courts, beaches, swimming pools, and museums that the park district administers.
 - c257c **Other[Explain]:** Provisions and support of recreational and cultural-scientific facilities maintained for the benefit of residents and visitors. Include golf courses, playgrounds, tennis courts, beaches, swimming pools, museums, zoos, convention centers, etc.
- c258 **Housing:** Construction, operation, and support of housing and redevelopment projects and other activities to promote or aid public and private housing and community development. Urban renewal and slum clearance; redevelopment and rehabilitation of substandard or deteriorated facilities and areas; rural redevelopment; and revitalization of commercial areas all fall under this category.
- c275 **Environment:** Provisions and maintenance of clean land and water supplies. The function has been separated into the following three categories:

- c275a Sewage:** Provision, maintenance, and operation of sanitary and storm sewer systems and sewage disposal and treatment facilities. Construction and maintenance of sanitary sewer lines; sewer cleaning; lift or pump stations and other sewer related projects.
- c275b Solid Waste Management:** Collection, removal, and disposal of garbage, refuse, hazardous and other solid wastes, and cleaning of streets, alleys and sidewalks.
- c275c Other[Explain]:** All other environmental activities related to maintaining clean land, air and water supplies, not listed in other categories.
- c259 Debt:** Amount paid for outstanding debt in the current fiscal year. This function has been separated into the following two categories:
 - c259a Interest:** Amount of interest paid on outstanding debt.
 - c259b Principal:** Amount of principal paid on outstanding debt.
- c271 Public Utility Company:** A public service such as water, electric, or mass transportation built and maintained by a government for the purpose of providing services for a charge to the residents. **Do not include payments for utility bills. Utility payments should be listed in General Government [Code 251].** This function is divided into four categories:
 - c271a Water:** Operation, maintenance, and construction of public water supply systems. Also includes the production, acquisition, and distribution of water to the general public or to other public or private utilities, for residential, commercial, and industrial use.
 - c271b Electric:** Operation, maintenance, and construction of public electric power or natural gas systems, including production, acquisition, and distribution of electricity or gas to the general public or to other public or private utilities, for residential, commercial, and industrial use.
 - c271c Transit:** Operation, maintenance, and construction of public mass transit systems.
 - c271d Other [Explain]:** All other utility costs not listed in other functions.
- c272 Depreciation:** The portion of the cost of fixed assets, other than wasting assets, to be recorded as an expense during the fiscal year. Assets that are purchased in governmental fund types cannot be depreciated.
- c280 Capital Outlay:** Costs associated with capital programs such as construction and/or the cost to purchase land, structures, and equipment.
- c260 Other Expenditures or Expenses:** Expenditures and expenses for miscellaneous activities, which cannot be properly reported elsewhere.
- c270 TOTAL:** The sum of all expenditures and expenses.

FUND BALANCE

- c301 Excess of Receipts/Revenue Over [Under] /Expenditures/Expenses: [C240-C270].**
- c302 Operating Transfers-In:** All inter-fund transfers-in, other than residual equity transfers [e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended in a recurring or routine manner].

- c303 Operating Transfers-Out:** All inter-fund transfers-out, other than residual equity transfers [e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended in a recurring or routine manner].
- c304 Bond Proceeds:** All revenue from bonds sold by the unit of government.
- c305 Other [Explain]:** Other financing sources resulting from transactions that are liabilities recorded in the general long-term debt accounting group, such as capital leases.
- c306 Net Increase [Decrease] In Fund Balance:** [301+ 302- 303 +304+ 305].
- c307 Previous Year Fund Balance:** Beginning fund balance, which is determined by calculating the difference between fund assets and fund liabilities of all governmental and similar trust funds at the beginning of the fiscal year. This figure should be equal to C310 from the previous year's AFR.
- c308 Other [Explain]:** Amounts attributable to such items as residual equity transfers, appropriate prior-period adjustments allowed for certain changes in accounting principles and changes in reserves for inventories accounted for under the purchase method.
- c310 Current Year Ending Fund Balance:** [306+ 307+ 308]. Funds available at the end of the fiscal year.

STATEMENT OF INDEBTEDNESS

GENERAL OBLIGATION BONDS: Bonds that are backed by the full faith and credit of the unit of government.

REVENUE BONDS: Bonds whose principal and interest are payable exclusively from earnings on a fund established to account for operations financed and operated to provide services.

ALTERNATE REVENUE BONDS: Bonds other than General Obligation Bonds or Revenue Bonds.

CONTRACTUAL COMMITMENTS: Any general long-term debt entered into by contractual obligation. Includes all contractual commitments with a term of one year or more, such as lease purchase agreements, installment contracts, notes, etc.

OTHER: Any general long-term debt that is not included in the categories listed above.

Outstanding Beginning of Year Debt [First Column]: Record the amount of debt the government had in the beginning of the fiscal year.

Issued Current Fiscal Year [Second Column]: Record all new debt issued during the current fiscal year.

Retired Current Fiscal Year [Third Column]: Record all debt paid during the current year.

Outstanding End of Year Debt [Fourth Column]: Equals debt outstanding for the government.

CAPITAL OUTLAY

CONSTRUCTION IN PROGRESS: Costs associated with construction of capital projects including centralized engineering, design and planning, and contract supervision activities whose major purpose is to support public capital projects. For purposes of this report, construction should be considered as an object code expenditure under the Capital Projects Fund.

LAND, EQUIPMENT AND EXISTING STRUCTURES: Cost for all tangible property that is secured with Capital Project Funds.

c601 - c617 Numerous Functions: Refer to the Expenditures section to determine how each individual function should be reported.

ENDNOTES

1. 50 ILCS 310/1-9 - [*Government Account Audit Act*].
2. 55 ILCS 5/6-31001-31011 - [*County Code*].
3. 65 ILCS 5/8-8-2 - [*Municipal Code*].
4. 35 ILCS 200/30 - 30 and 200/30/31 - [*Fiscal Responsibility Law*].
5. 5 ILCS 140/3 - [*Freedom of Information Act*].
6. 15 ILCS 405/16.1 - [*Public Records Act*].
7. 55 ILCS 5/3-10005.5 – [*County Code: Training Program*].
8. 15 ILCS 405/23.7 - [*Comptroller Act: Local Government Registry*].
9. The *Fiscal Responsibility Report Card Act* requires the Comptroller’s Office to report on local governments that collect property tax. Therefore, 850 drainage districts that report to our office are not included in this report.
10. 70 ILCS 705/ - [*Fire Protection District Act*].
11. 70 ILCS 1205/ - [*Park District Code*].
12. 75 ILCS 5/ - [*Local Library Act*].
13. Road & Bridge Districts are blended component units. Therefore, the financial data for these districts are reported in the special revenue fund for their corresponding township.
14. The U.S. Census Bureau estimates the population of the state of Illinois to be 12,500,000 in 2002.
15. U.S. Census Bureau: States Ranked by Revenue and Expenditure Total Amount and Per Capita Total Amount: 2001.
16. 35 ILCS 200/ - [*Property Tax Code*].
17. 35 ILCS 105/1 ff. - [*Use Tax*]; 120/1 ff. - [*Retailers’ Occupation Tax*]; 110/1 ff. [*Service Use Tax*]; and 115/1 ff. - [*Service Occupation Tax*].
18. 65 ILCS 5/8-11-1 - [*HR Municipal Service Occupation Tax*]; 65 ILCS 5/8-1006 [HR Municipal Service]. 65 ILCS 5/8-11-1.7 [Taxation of occupation or privileges].
19. 35 ILCS 610/2a.1 Telephone and Telegraph Companies; 615/2a.1 Gas Distribution Companies; 620/2a.1 Electric Companies; and 625/3 Water Companies [*Messages Tax Act*].

20. Other common local government taxes include: Amusement Tax, Hotel/Motel Tax, Motor Vehicle Leasing Tax, Replacement Vehicle Tax, Motor Home Tax, and Coin-Operated Devices Tax.⁵ ILCS 5/ - [*Income Tax Act*].
21. 35 ILCS 5/ [*Income Tax Act*].
22. 35 ILCS 105/1 ff. [*Use Tax*]; 120/1 ff. [*Retailers' Occupation Tax*]; 110/1 ff. [*Service Use Tax*]; and 115/1 ff. - [*Service Occupation Tax*].
23. 70 ILCS 3615/4.03 [*Regional Transportation Authority [RTA] Retailers' Occupation Tax, RTA Service Occupation Tax and RTA Use Tax*] 70 ILCS 3610/5.01 *Metro-East Mass Transit District [MED] Retailers' Occupation Tax, MED Service Occupation Tax, and MED Use Tax*.
24. 35 ILCS 505/1 ff. [*Motor Fuel Tax*].
25. Illinois Department of Revenue: Annual Report of Collections and Distributions: FY 2001.
26. 35 ILCS 5/201 [*Income Tax Act: Personal Property Replacement Tax*].
27. 230 ILCS 30/1 to 30/15 - [*Charitable Games Act*].
28. 230 ILCS 20/ - [*Illinois Pull Tabs and Jar Games Act*].
29. 230 ILCS 10/ - [*Riverboat Gambling Act*].

APPENDICES A- E

APPENDIX A – FY 2002 GOVERNMENTAL FUND REVENUE: Tables 1 - 8

APPENDIX B – FY 2002 GOVERNMENTAL FUND EXPENDITURES: Tables 1 - 8

APPENDIX C – FY 1999 – 2002 HISTORICAL REVENUE: Tables 1 - 8

APPENDIX D – FY 1999 – 2002 HISTORICAL EXPENDITURES: Tables 1 - 8

APPENDIX E – CITY OF CHICAGO: Tables 1 - 4

FY 2002 Governmental Fund Revenue Appendix A

Table 1

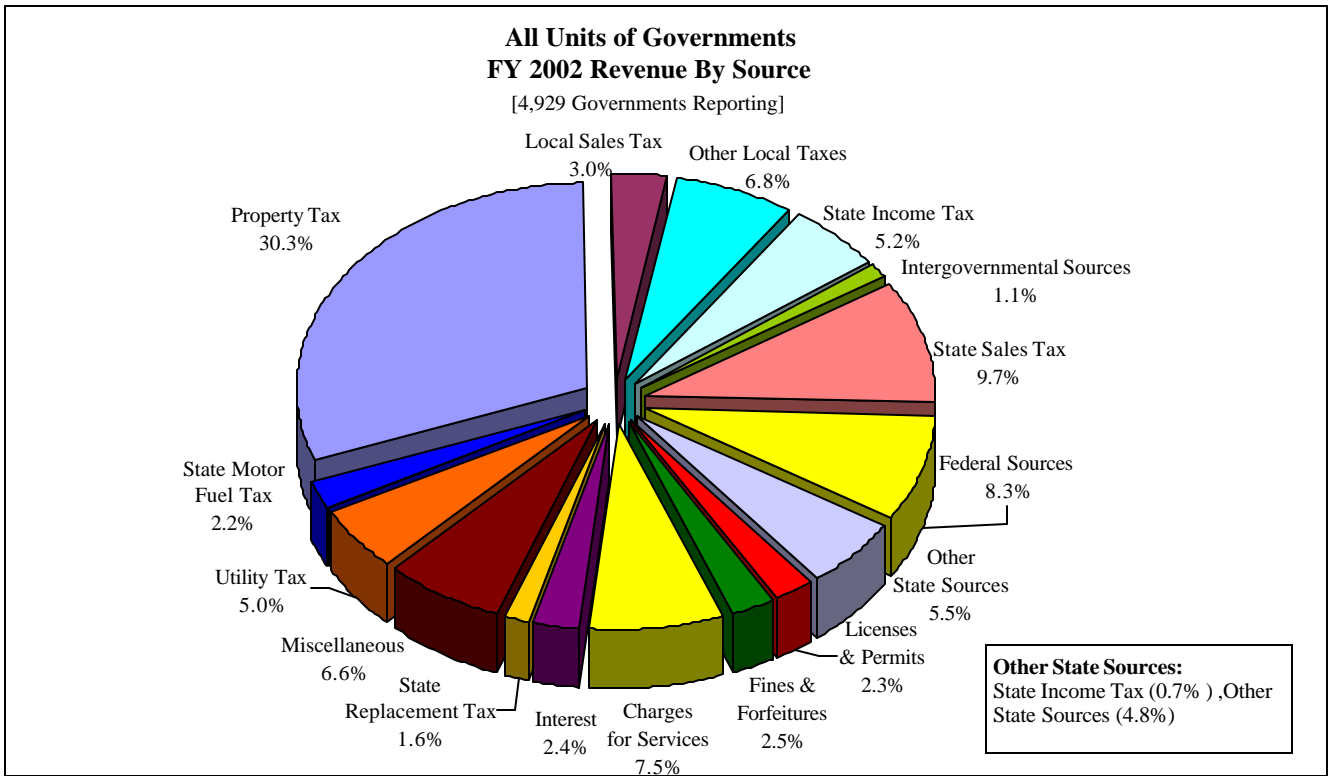
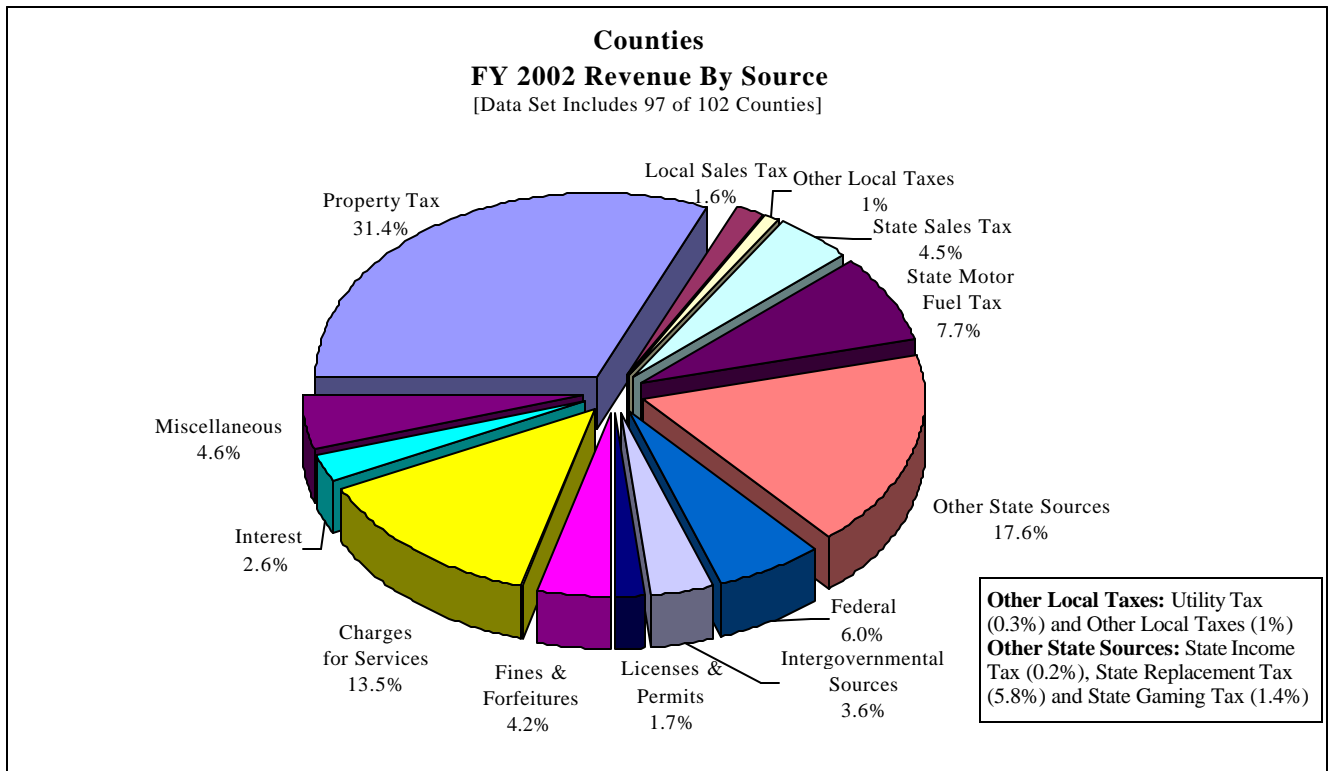


Table 2



FY 2002 Governmental Fund Revenue Appendix A

Table 3

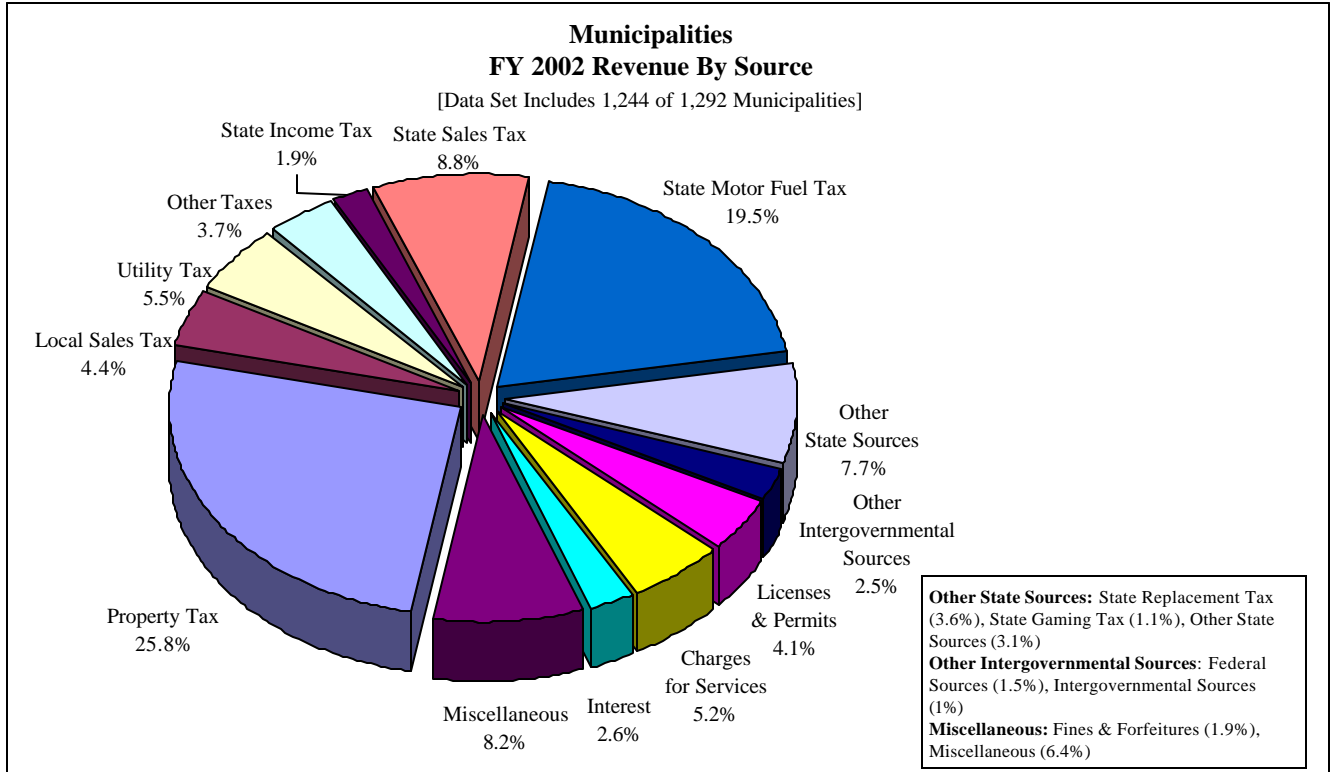
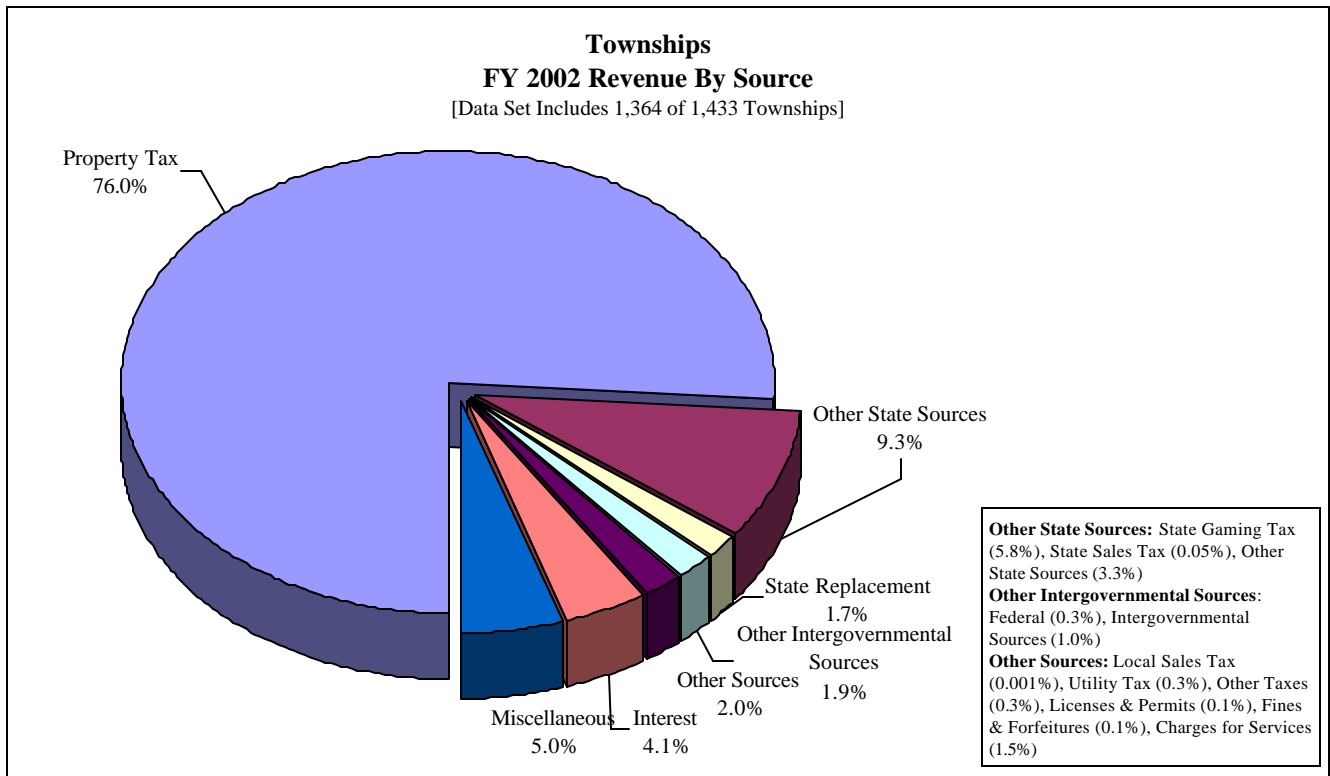


Table 4



FY 2002 Governmental Fund Revenue Appendix A

Table 5

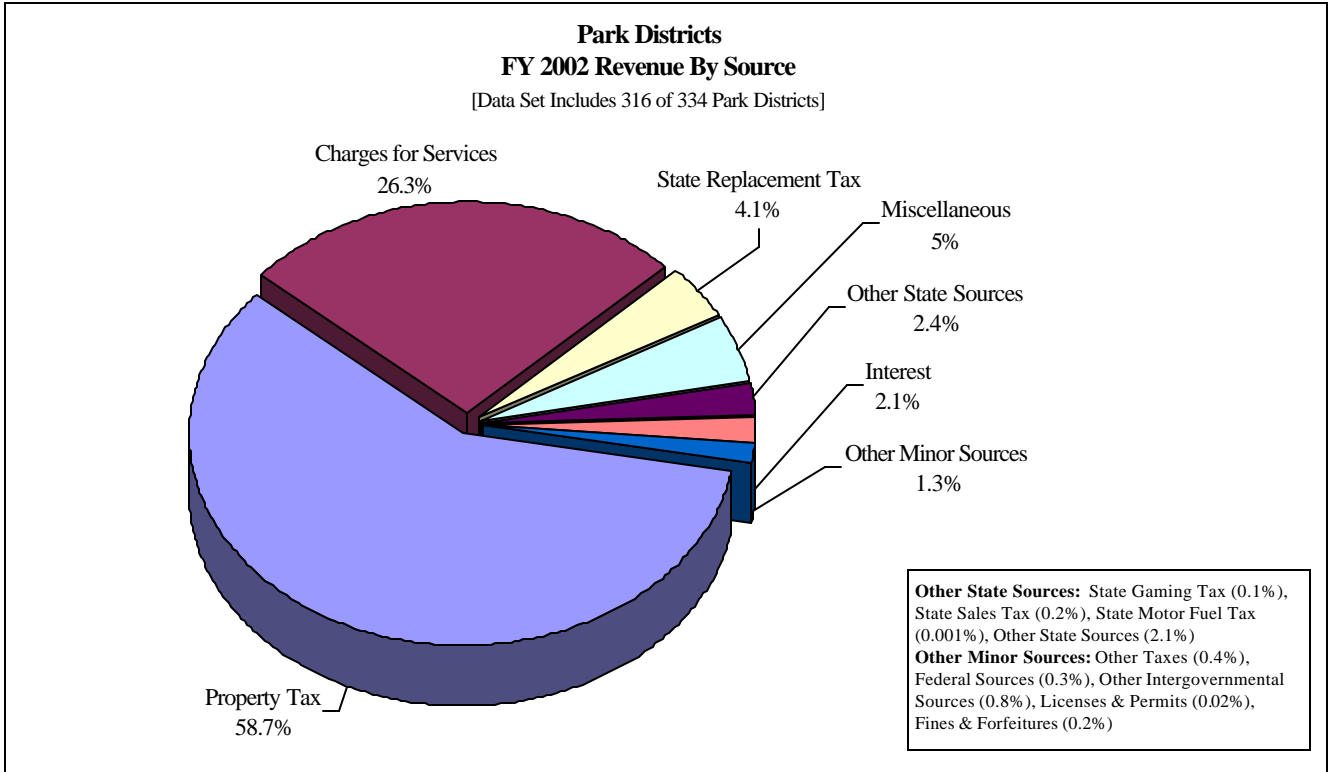
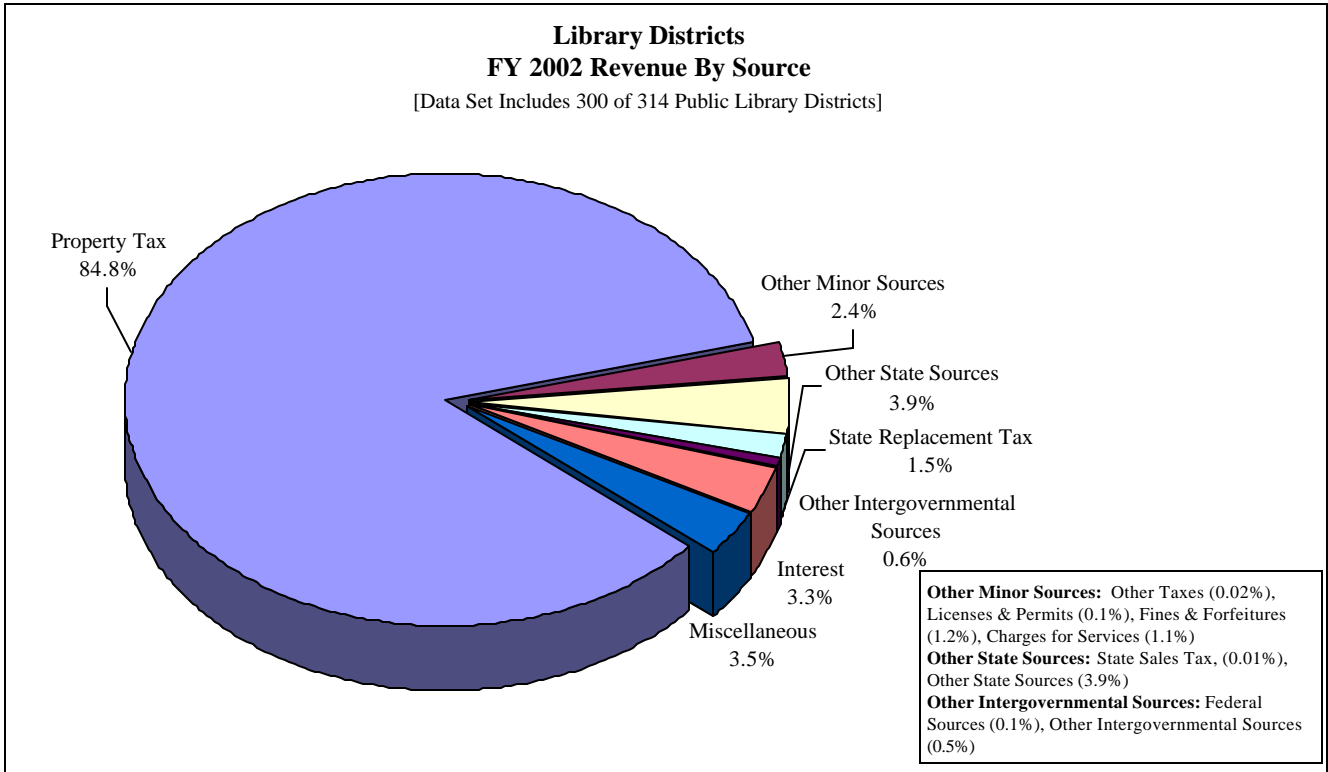


Table 6



FY 2002 Governmental Fund Revenue Appendix A

Table 7

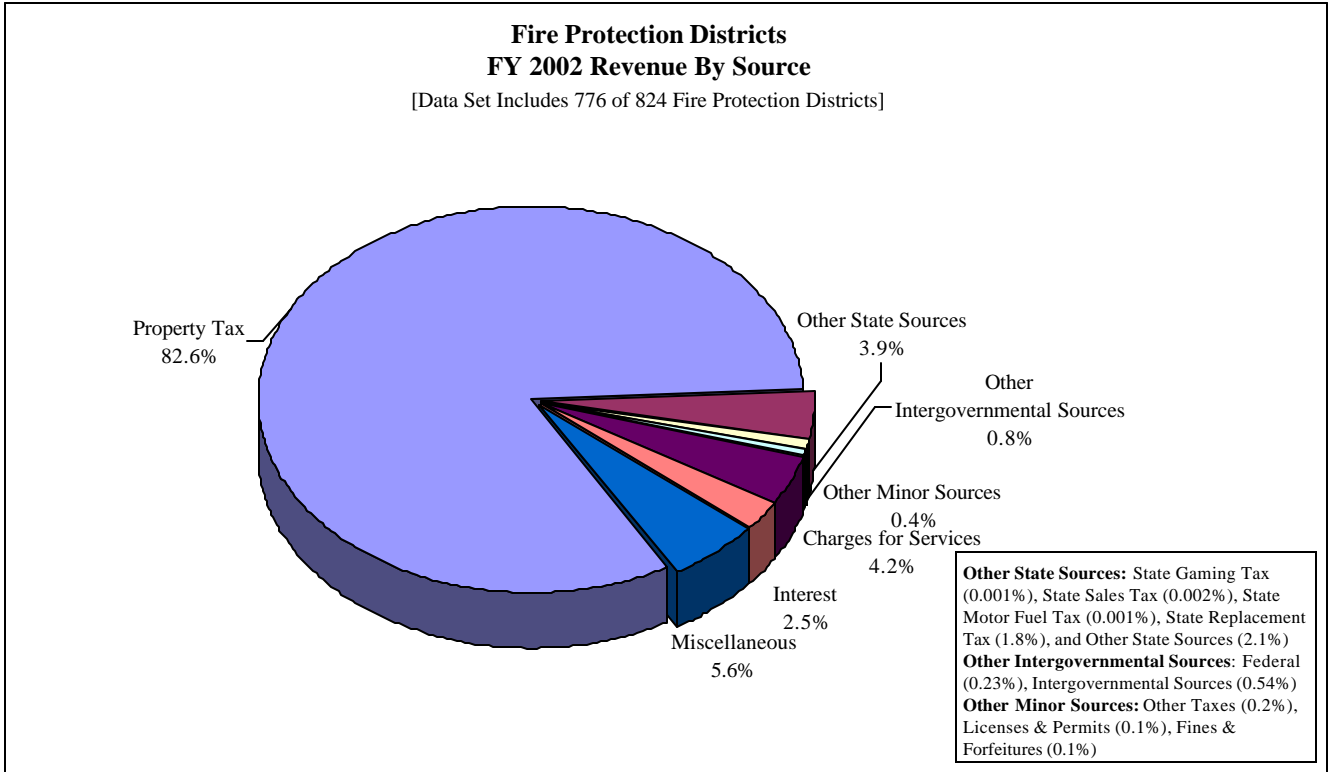
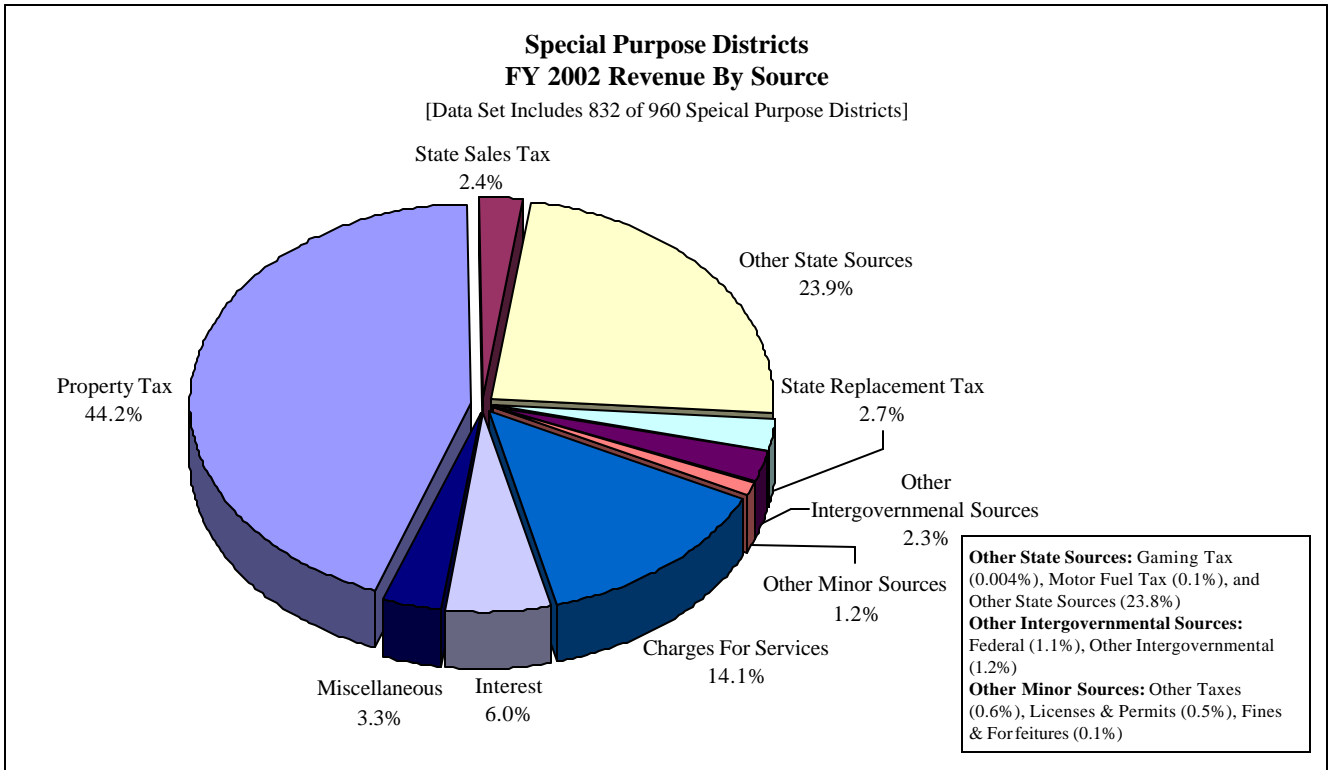


Table 8



FY 2002 Governmental Fund Expenditures Appendix B

Table 1

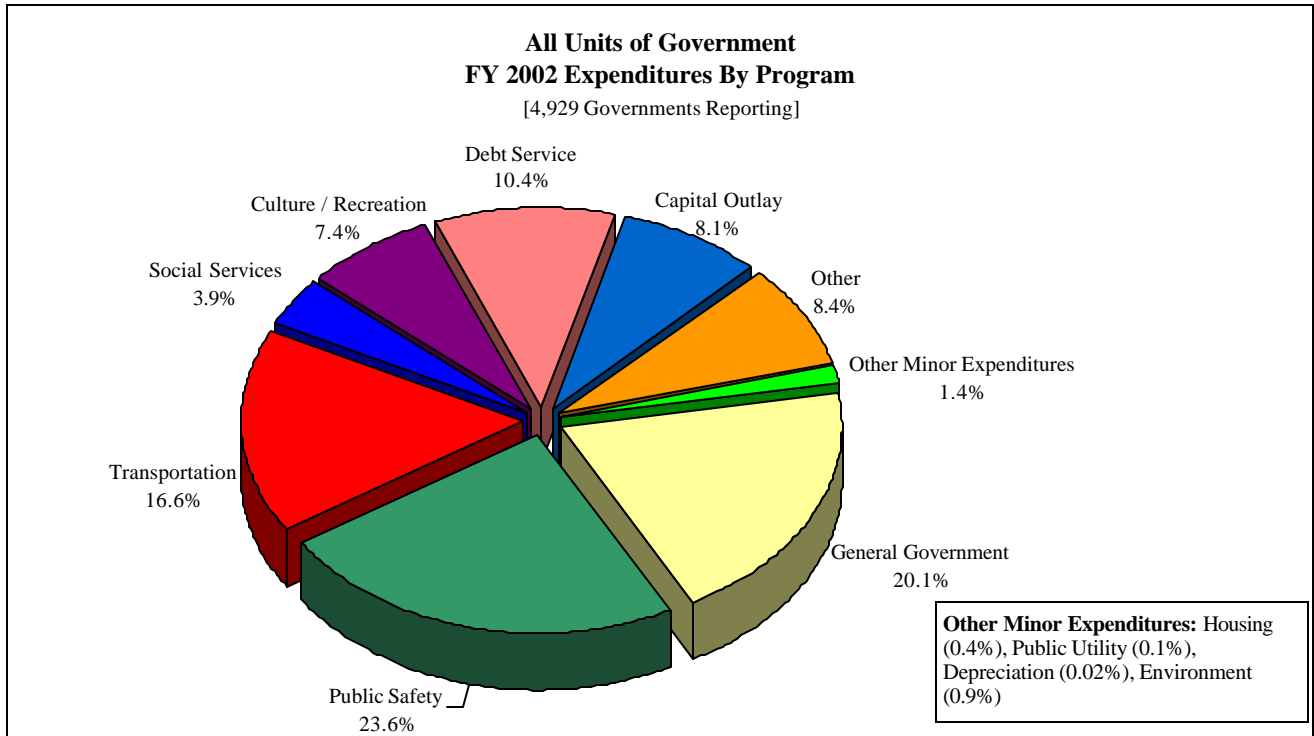
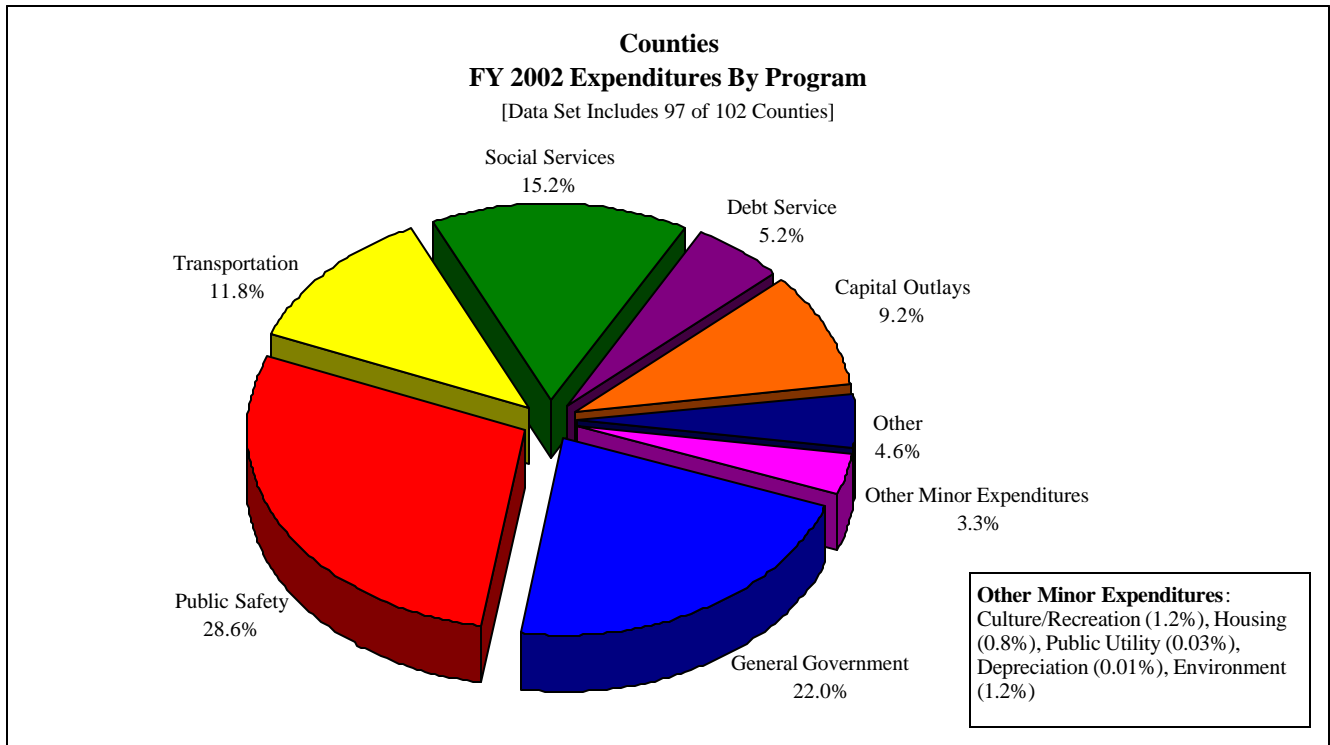


Table 2



FY 2002 Governmental Fund Expenditures Appendix B

Table 3

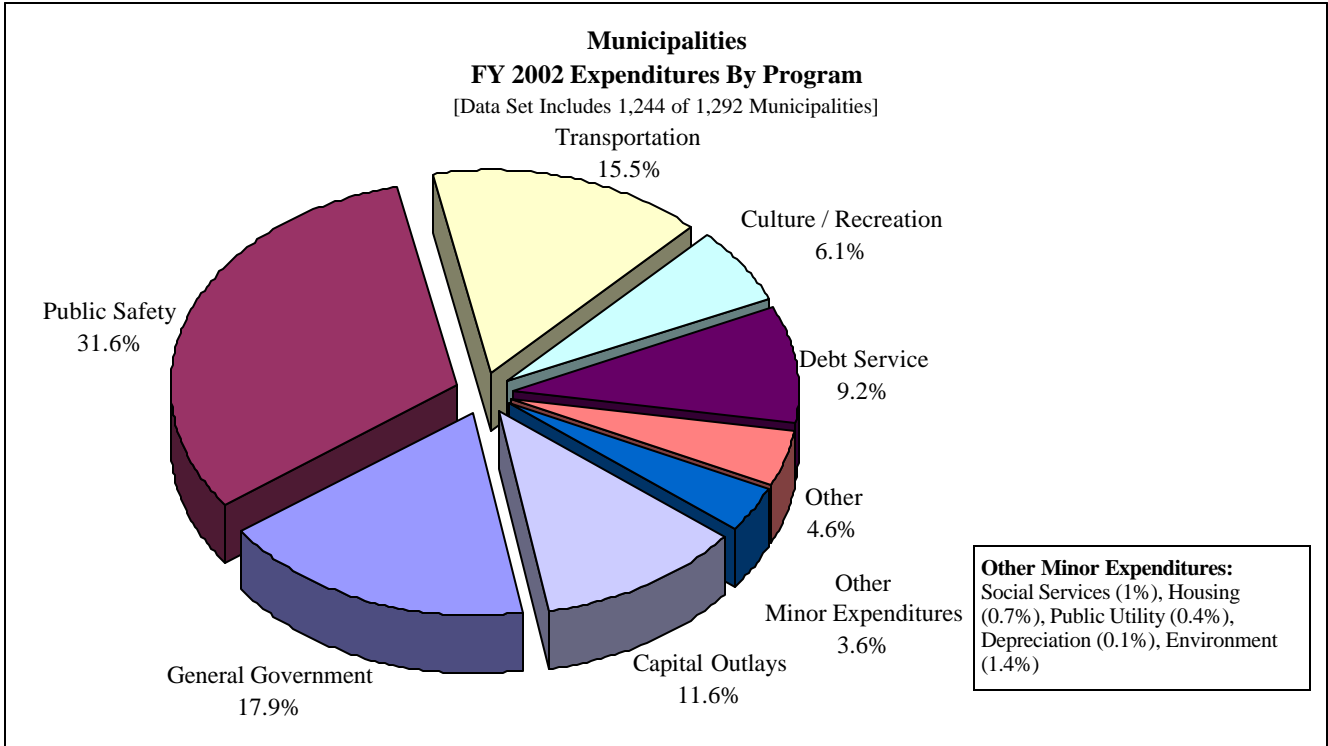
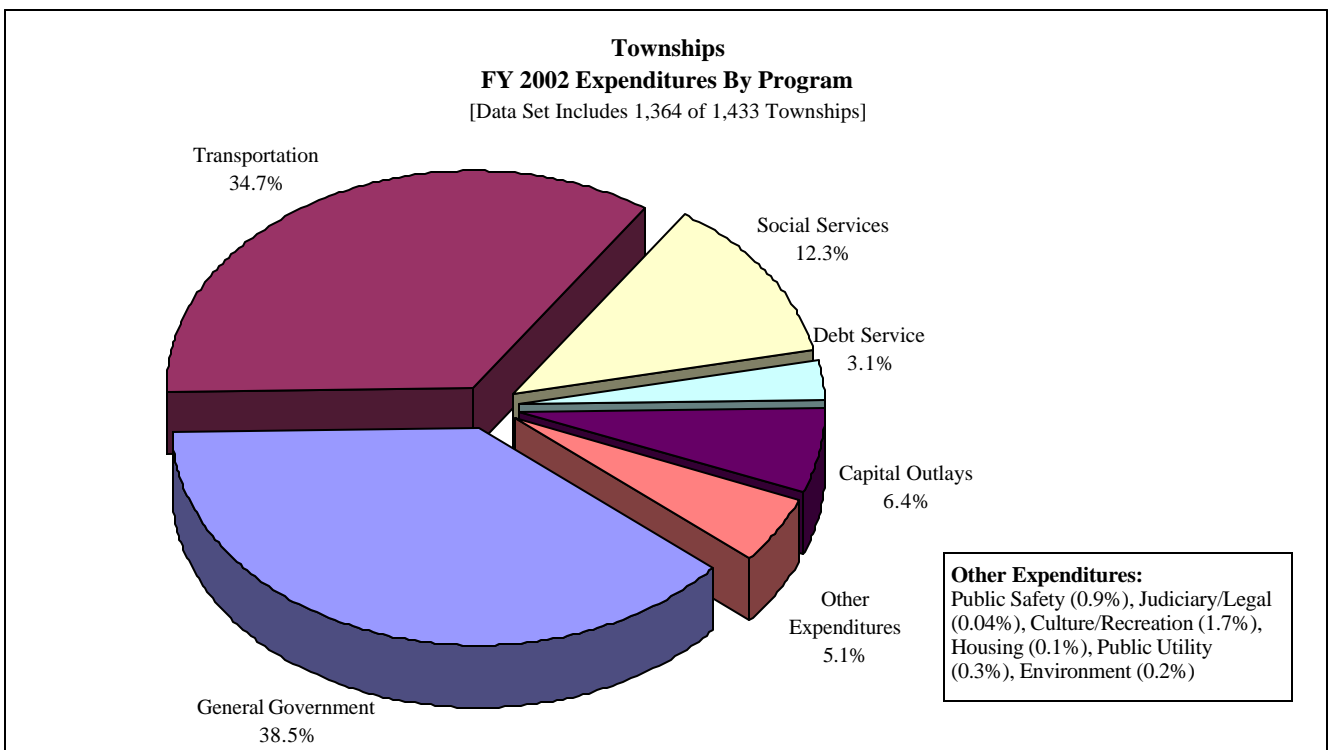


Table 4



FY 2002 Governmental Fund Expenditures Appendix B

Table 5

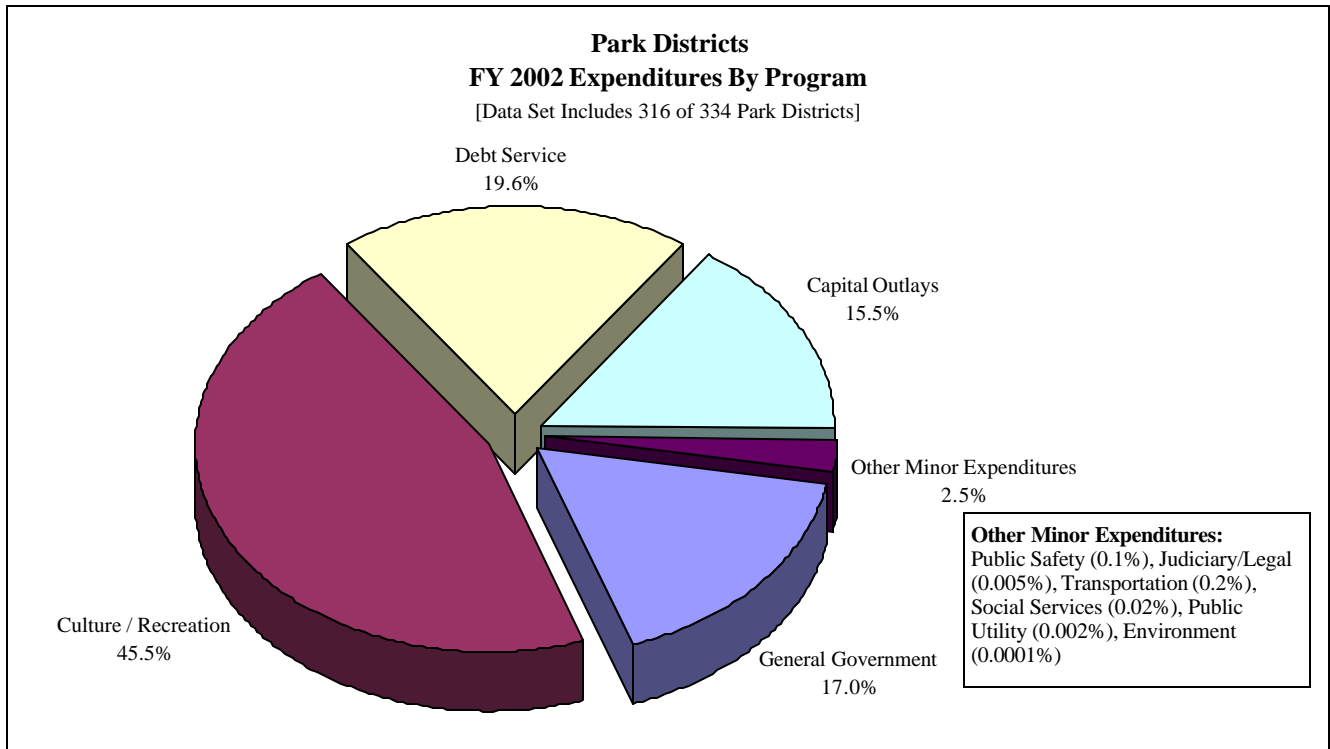
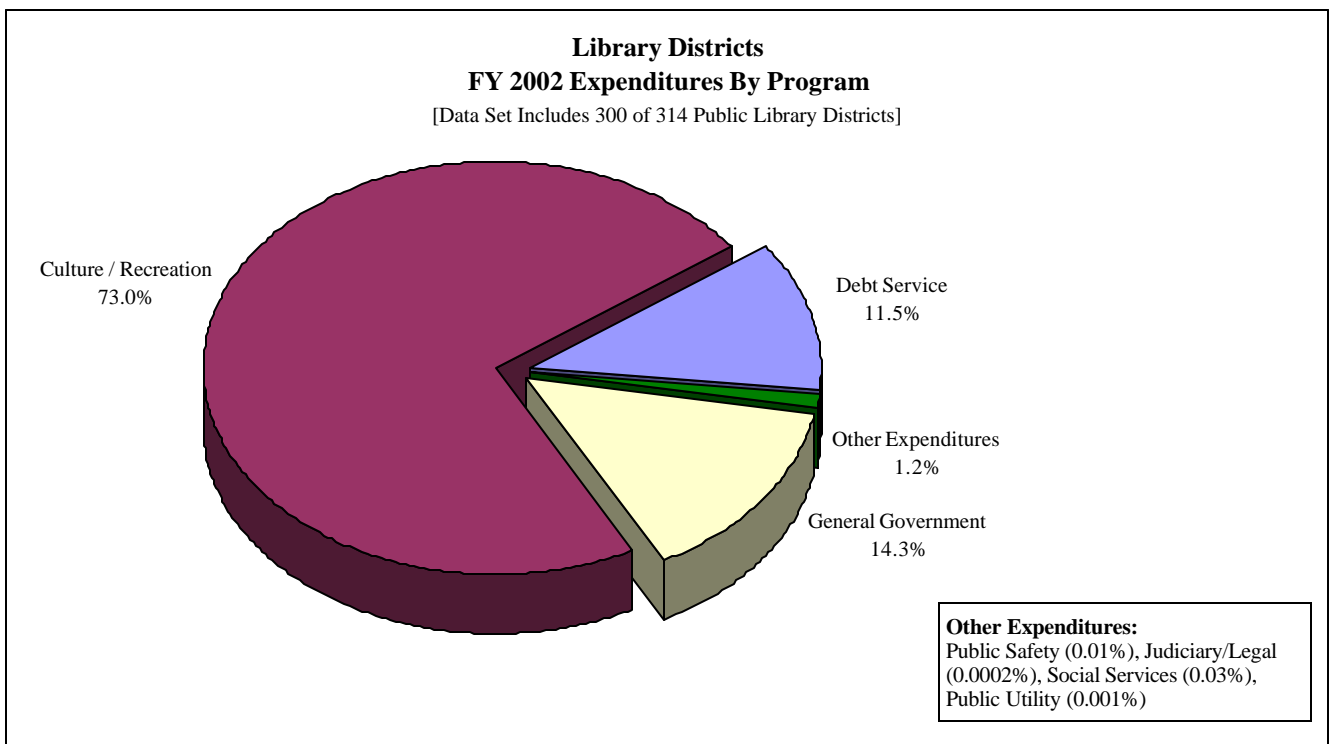


Table 6



FY 2002 Governmental Fund Expenditures Appendix B

Table 7

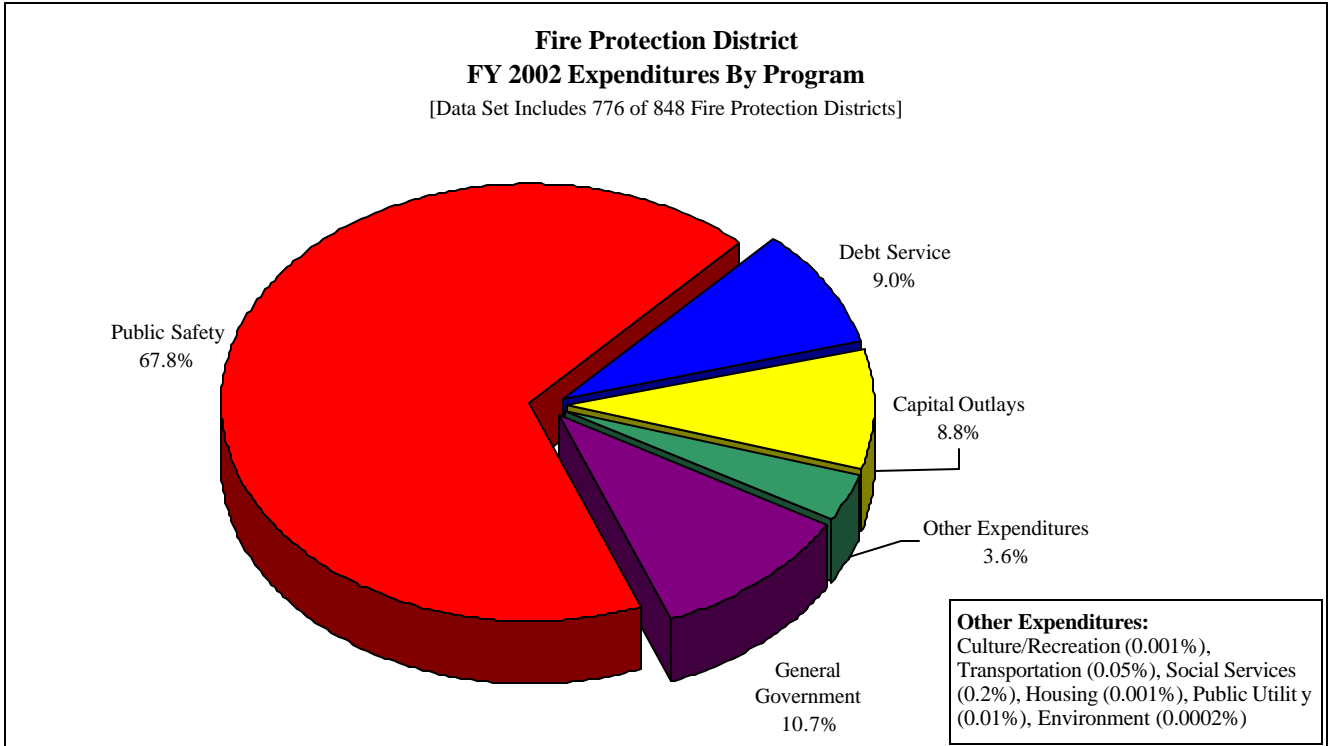
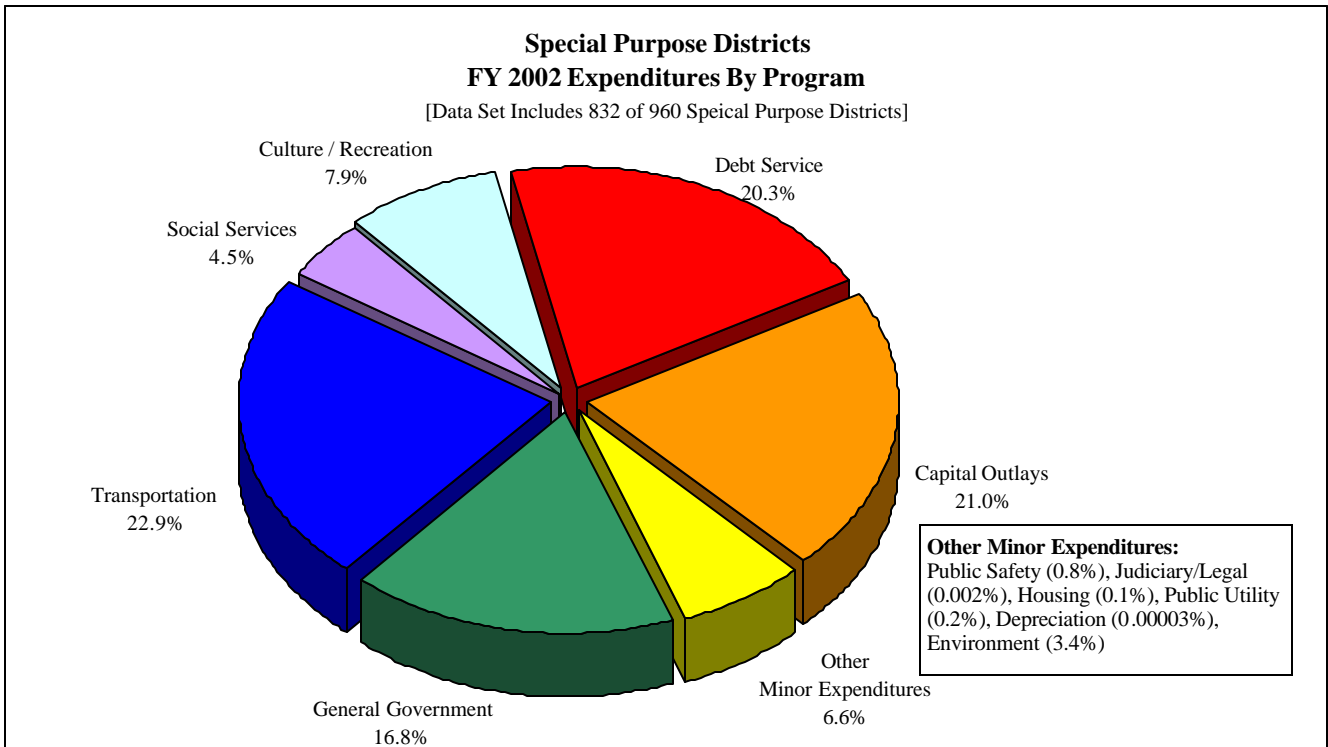


Table 8



FY 1999 – 2002 Historical Data

Appendix C

Table 1

All Government Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 3,689,391,498	\$ 4,216,034,644	4.5%
<i>Local Sales Tax</i>	\$ 293,857,607	\$ 292,478,295	-0.2%
<i>Utility Tax</i>	\$ 258,332,389	\$ 311,184,117	6.4%
<i>Other Local Tax</i>	\$ 241,408,530	\$ 243,940,389	0.3%
<i>State Income Tax</i>	\$ 602,408,577	\$ 610,886,349	0.5%
<i>State Sales Tax</i>	\$ 1,165,697,377	\$ 1,332,325,023	4.6%
<i>Motor Fuel Tax</i>	\$ 317,228,171	\$ 357,532,674	4.1%
<i>Replacement Tax</i>	\$ 249,850,344	\$ 208,400,058	-5.9%
<i>Other State Sources</i>	\$ 324,447,393	\$ 541,452,681	18.6%
<i>Federal</i>	\$ 206,772,824	\$ 256,744,619	7.5%
<i>Intergovernmental</i>	\$ 245,196,648	\$ 172,039,794	-11.1%
<i>Licenses & Permits</i>	\$ 252,690,125	\$ 284,197,973	4.0%
<i>Charges For Services</i>	\$ 946,670,866	\$ 1,107,628,351	5.4%
<i>Interest</i>	\$ 399,175,909	\$ 319,171,136	-7.2%
<i>Miscellaneous</i>	\$ 661,476,524	\$ 600,035,622	-3.2%
Total	\$ 10,035,184,002	\$ 11,189,232,585	3.7%

Table 2

County Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 679,326,914	\$ 779,538,331	4.7%
<i>Local Sales Tax</i>	\$ 42,719,592	\$ 39,779,307	-2.3%
<i>Other Local Tax</i>	\$ 24,566,798	\$ 24,155,186	-0.6%
<i>State Income Tax</i>	\$ 106,813,275	\$ 110,641,535	1.2%
<i>State Sales Tax</i>	\$ 170,351,612	\$ 190,917,164	3.9%
<i>Motor Fuel Tax</i>	\$ 151,094,972	\$ 144,954,819	-1.4%
<i>Replacement Tax</i>	\$ 46,436,736	\$ 33,611,318	-10.2%
<i>Other State Sources</i>	\$ 151,656,179	\$ 256,924,342	19.2%
<i>Federal</i>	\$ 86,952,805	\$ 148,320,510	19.5%
<i>Intergovernmental</i>	\$ 117,473,942	\$ 90,389,571	-8.4%
<i>Licenses & Permits</i>	\$ 34,431,472	\$ 42,967,441	7.7%
<i>Fines & Forfeitures</i>	\$ 79,932,133	\$ 105,529,599	9.7%
<i>Charges For Services</i>	\$ 292,745,696	\$ 335,062,274	4.6%
<i>Interest</i>	\$ 84,008,551	\$ 64,128,187	-8.6%
<i>Miscellaneous</i>	\$ 170,008,997	\$ 116,193,147	-11.9%
Total	\$ 2,238,519,673	\$ 2,483,112,731	3.5%

FY 1999 – 2002 Historical Data

Appendix C

Table 3

Municipal Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 1,257,500,740	\$ 1,473,910,073	5.4%
<i>Local Sales Tax</i>	\$ 213,847,980	\$ 252,692,602	5.7%
<i>Utility Tax</i>	\$ 257,452,836	\$ 310,403,898	6.4%
<i>Other Local Tax</i>	\$ 213,497,150	\$ 210,646,202	-0.4%
<i>State Income Tax</i>	\$ 495,397,088	\$ 500,032,072	0.3%
<i>State Sales Tax</i>	\$ 970,571,655	\$ 1,111,666,573	4.6%
<i>Motor Fuel Tax</i>	\$ 158,413,541	\$ 203,413,877	8.7%
<i>Replacement Tax</i>	\$ 75,774,221	\$ 61,165,393	-6.9%
<i>Other State Sources</i>	\$ 118,372,797	\$ 176,243,036	14.2%
<i>Federal</i>	\$ 100,845,791	\$ 87,738,572	-4.5%
<i>Intergovernmental</i>	\$ 106,034,176	\$ 55,863,033	-19.2%
<i>Licenses & Permits</i>	\$ 197,017,756	\$ 234,548,902	6.0%
<i>Fines & Forfeitures</i>	\$ 97,425,632	\$ 106,833,097	3.1%
<i>Charges For Services</i>	\$ 240,740,080	\$ 299,628,428	7.6%
<i>Interest</i>	\$ 173,225,046	\$ 147,330,653	-5.3%
<i>Miscellaneous</i>	\$ 354,452,810	\$ 346,417,612	-0.8%
Total	\$ 5,030,570,448	\$ 5,691,386,312	4.2%

Table 4

Township Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 324,503,210	\$ 357,060,342	3.2%
<i>Motor Fuel Tax</i>	\$ 7,114,442	\$ 8,024,354	4.1%
<i>Replacement Tax</i>	\$ 29,622,811	\$ 27,327,464	-2.7%
<i>Federal</i>	\$ 2,757,096	\$ 4,260,952	15.6%
<i>Intergovernmental</i>	\$ 4,326,388	\$ 4,556,259	1.7%
<i>Other State Sources</i>	\$ 8,615,397	\$ 15,738,449	22.2%
<i>Charges For Services</i>	\$ 8,449,121	\$ 21,222,547	35.9%
<i>Interest</i>	\$ 19,800,225	\$ 19,289,339	-0.9%
<i>Miscellaneous</i>	\$ 18,566,719	\$ 23,674,223	8.4%
Total	\$ 425,276,685	\$ 483,944,877	4.4%

**FY 1999 – 2002 Historical Data
Appendix C**

Table 5

Park District Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 592,685,618	\$ 630,501,726	2.1%
<i>Replacement Tax</i>	\$ 51,463,721	\$ 44,383,798	-4.8%
<i>Other State Sources</i>	\$ 4,438,657	\$ 22,606,477	72.1%
<i>Intergovernmental</i>	\$ 6,677,148	\$ 8,387,820	7.9%
<i>Charges For Services</i>	\$ 232,942,235	\$ 282,494,060	6.6%
<i>Interest</i>	\$ 39,917,413	\$ 22,015,442	-18.0%
<i>Miscellaneous</i>	\$ 54,230,329	\$ 54,902,477	0.4%
Total	\$ 997,576,865	\$ 1,071,328,072	2.4%

Table 6

Library District Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 148,901,688	\$ 179,852,700	6.5%
<i>State Replacement</i>	\$ 3,596,830	\$ 3,202,652	-3.8%
<i>Other State Sources</i>	\$ 5,400,876	\$ 8,202,074	14.9%
<i>Fines & Forfeitures</i>	\$ 2,343,091	\$ 2,594,227	3.5%
<i>Charges For Services</i>	\$ 1,445,149	\$ 2,240,363	15.7%
<i>Interest</i>	\$ 8,842,096	\$ 6,911,600	-7.9%
<i>Miscellaneous</i>	\$ 7,276,885	\$ 7,214,492	-0.3%
Total	\$ 179,614,505	\$ 211,684,265	5.6%

**FY 1999 – 2002 Historical Data
Appendix C**

Table 7

Fire Protection District Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 219,343,650	\$ 260,395,903	5.9%
<i>Replacement Tax</i>	\$ 6,355,674	\$ 5,729,433	-3.4%
<i>Other State Sources</i>	\$ 2,686,587	\$ 6,681,852	35.5%
<i>Charges For Services</i>	\$ 9,020,708	\$ 13,329,285	13.9%
<i>Interest</i>	\$ 9,338,041	\$ 8,034,698	-4.9%
<i>Miscellaneous</i>	\$ 13,831,519	\$ 17,662,689	8.5%
Total	\$ 263,364,546	\$ 315,202,907	6.2%

Table 8

Special Purpose District Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 467,129,679	\$ 535,397,380	4.7%
<i>State Sales Tax</i>	\$ 24,759,665	\$ 29,691,966	6.2%
<i>Replacement Tax</i>	\$ 36,600,351	\$ 32,980,000	-3.4%
<i>Other State Sources</i>	\$ 33,276,901	\$ 55,056,451	18.3%
<i>Federal</i>	\$ 14,835,998	\$ 12,642,735	-5.2%
<i>Intergovernmental</i>	\$ 7,560,966	\$ 10,281,912	10.8%
<i>Licenses & Permits</i>	\$ 7,760,140	\$ 5,574,639	-10.4%
<i>Fines & Forfeitures</i>	\$ 405,292	\$ 1,611,998	58.4%
<i>Charges For Services</i>	\$ 161,327,876	\$ 167,768,901	1.3%
<i>Interest</i>	\$ 64,044,537	\$ 51,588,519	-7.0%
<i>Miscellaneous</i>	\$ 43,109,265	\$ 34,984,989	-6.7%
Total	\$ 899,860,695	\$ 947,277,510	1.7%

**FY 1999 – 2002 Historical Data
Appendix D**

Table 1

All Government Expenditures			
Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 2,154,342,621	\$ 2,401,667,779	3.7%
<i>Public Safety</i>	\$ 2,101,636,528	\$ 2,592,973,541	7.3%
<i>Corrections</i>	\$ 103,712,155	\$ 139,510,701	10.4%
<i>Judiciary / Legal</i>	\$ 217,236,087	\$ 274,288,800	8.1%
<i>Health & Welfare / Social Services</i>	\$ 474,994,664	\$ 570,675,526	6.3%
<i>Culture & Recreation</i>	\$ 1,182,092,992	\$ 1,325,561,533	3.9%
<i>Debt</i>	\$ 1,159,102,892	\$ 1,314,980,274	4.3%
<i>Public Works / Transportation</i>	\$ 1,833,323,076	\$ 1,733,415,962	-1.9%
Total	\$ 10,524,817,907	\$ 12,622,311,854	6.2%

Table 2

County Expenditures			
Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 537,928,028	\$ 564,680,398	1.6%
<i>Public Safety</i>	\$ 317,680,488	\$ 329,345,914	1.2%
<i>Corrections</i>	\$ 97,209,578	\$ 139,433,919	12.8%
<i>Judiciary / Legal</i>	\$ 214,927,180	\$ 267,251,339	7.5%
<i>Social Services</i>	\$ 297,747,522	\$ 390,712,684	9.5%
<i>Culture & Recreation</i>	\$ 49,940,131	\$ 30,540,142	-15.1%
<i>Debt</i>	\$ 102,083,082	\$ 134,757,614	9.7%
<i>Public Works / Transportation</i>	\$ 388,145,273	\$ 302,730,698	-8.0%
Total	\$ 2,223,035,043	\$ 2,568,804,169	4.9%

**FY 1999 – 2002 Historical Data
Appendix D**

Table 3

Municipal Expenditures			
Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 984,598,238	\$ 1,146,062,892	5.2%
<i>Public Safety</i>	\$ 1,591,395,157	\$ 2,019,580,687	8.3%
<i>Health & Welfare / Social Services</i>	\$ 87,224,010	\$ 129,505,030	14.1%
<i>Culture & Recreation</i>	\$ 275,529,341	\$ 406,482,646	13.8%
<i>Debt</i>	\$ 545,657,036	\$ 588,842,455	2.6%
<i>Public Works / Transportation</i>	\$ 870,785,277	\$ 993,398,888	4.5%
<i>Other Expenditures</i>	\$ 411,065,831	\$ 295,860,844	-10.4%
Total	\$ 5,215,135,281	\$ 6,482,420,286	7.5%

Table 4

Township Expenditures			
Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 187,823,143	\$ 184,329,655	-0.6%
<i>Public Safety</i>	\$ 2,352,367	\$ 4,090,836	20.3%
<i>Health & Welfare / Social Services</i>	\$ 34,536,484	\$ 71,405,714	27.4%
<i>Culture & Recreation</i>	\$ 12,055,613	\$ 8,091,248	-12.4%
<i>Public Works / Transportation</i>	\$ 131,315,677	\$ 165,922,095	8.1%
<i>Debt</i>	\$ 7,464,255	\$ 14,744,499	25.5%
<i>Other Expenditures</i>	\$ 14,764,939	\$ 10,455,372	-10.9%
Total	\$ 395,376,454	\$ 491,779,628	7.5%

**FY 1999 – 2002 Historical Data
Appendix D**

Table 5

Park District Expenditures Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 180,740,099	\$ 244,914,037	10.7%
<i>Culture & Recreation</i>	\$ 691,101,077	\$ 655,057,511	-1.8%
<i>Debt</i>	\$ 235,132,350	\$ 283,098,479	6.4%
<i>Other Expenditures</i>	\$ 28,695,862	\$ 30,297,630	1.8%
Total	\$ 1,239,017,456	\$ 1,442,376,058	5.2%

Table 6

Library District Expenditures Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 36,593,940	\$ 28,904,792	-7.6%
<i>Culture & Recreation</i>	\$ 119,907,486	\$ 147,269,217	7.1%
<i>Debt</i>	\$ 13,818,296	\$ 23,256,992	19.0%
<i>Other Expenditures</i>	\$ 5,157,364	\$ 2,286,913	-23.7%
Total	\$ 180,385,909	\$ 229,164,032	8.3%

Table 7

Fire Protection District Expenditures Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 45,526,976	\$ 36,511,464	-7.1%
<i>Public Safety</i>	\$ 181,488,088	\$ 229,819,387	8.2%
<i>Debt</i>	\$ 19,437,035	\$ 30,179,664	15.8%
<i>Other Expenditures</i>	\$ 4,306,897	\$ 11,718,607	39.6%
Total	\$ 257,942,782	\$ 339,168,532	9.6%

**FY 1999 – 2002 Historical Data
Appendix D**

Table 8

Special Purpose District Expenditures			
Historical Data			
Expenditures by Program	FY 1999	FY 2002	Annual Growth Rate [AGR]
<i>General Government</i>	\$ 181,132,197	\$ 198,066,548	3.0%
<i>Social Services</i>	\$ 46,328,207	\$ 53,990,715	5.2%
<i>Culture & Recreation</i>	\$ 33,557,619	\$ 93,770,931	40.9%
<i>Debt</i>	\$ 235,510,839	\$ 241,016,530	0.8%
<i>Public Works / Transportation</i>	\$ 436,775,646	\$ 270,419,169	-14.8%
<i>Other Expenditures</i>	\$ 41,415,175	\$ 24,362,026	-16.2%
Total	\$ 1,013,828,610	\$ 1,172,110,884	5.0%

City of Chicago Appendix E

Table 1

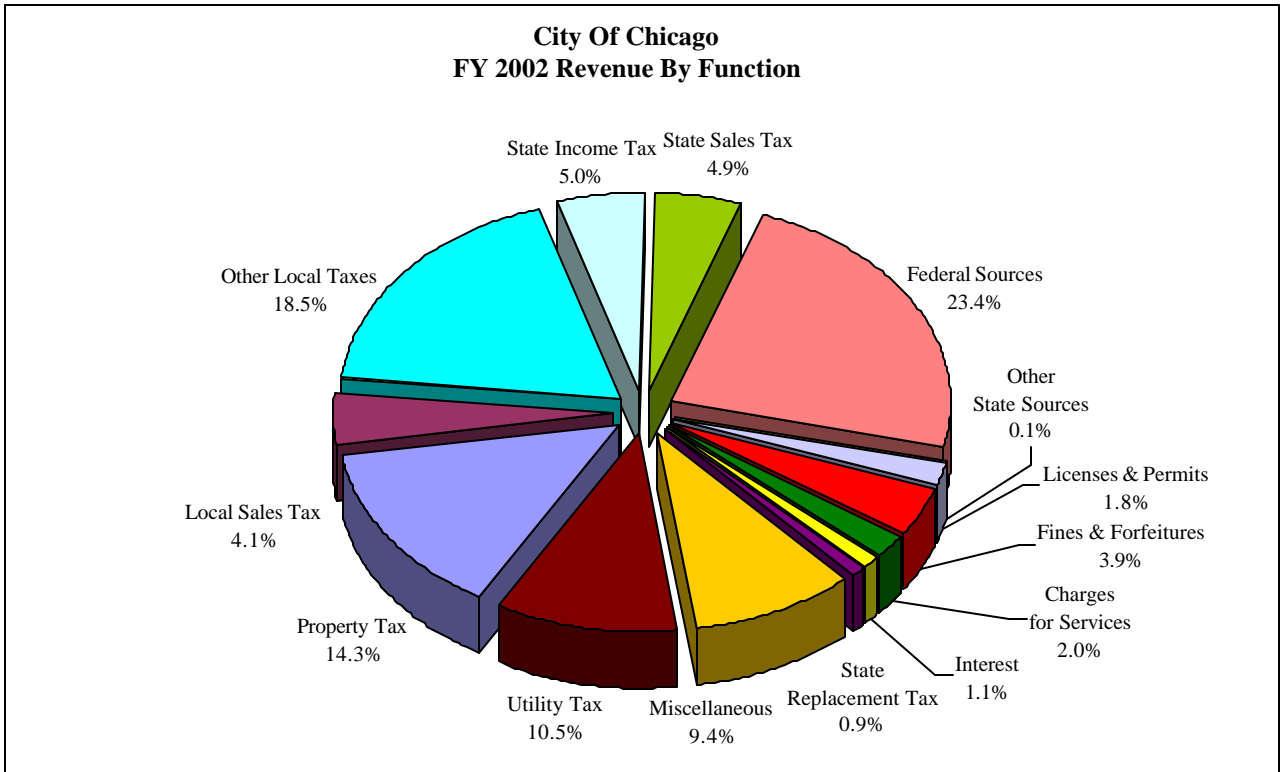
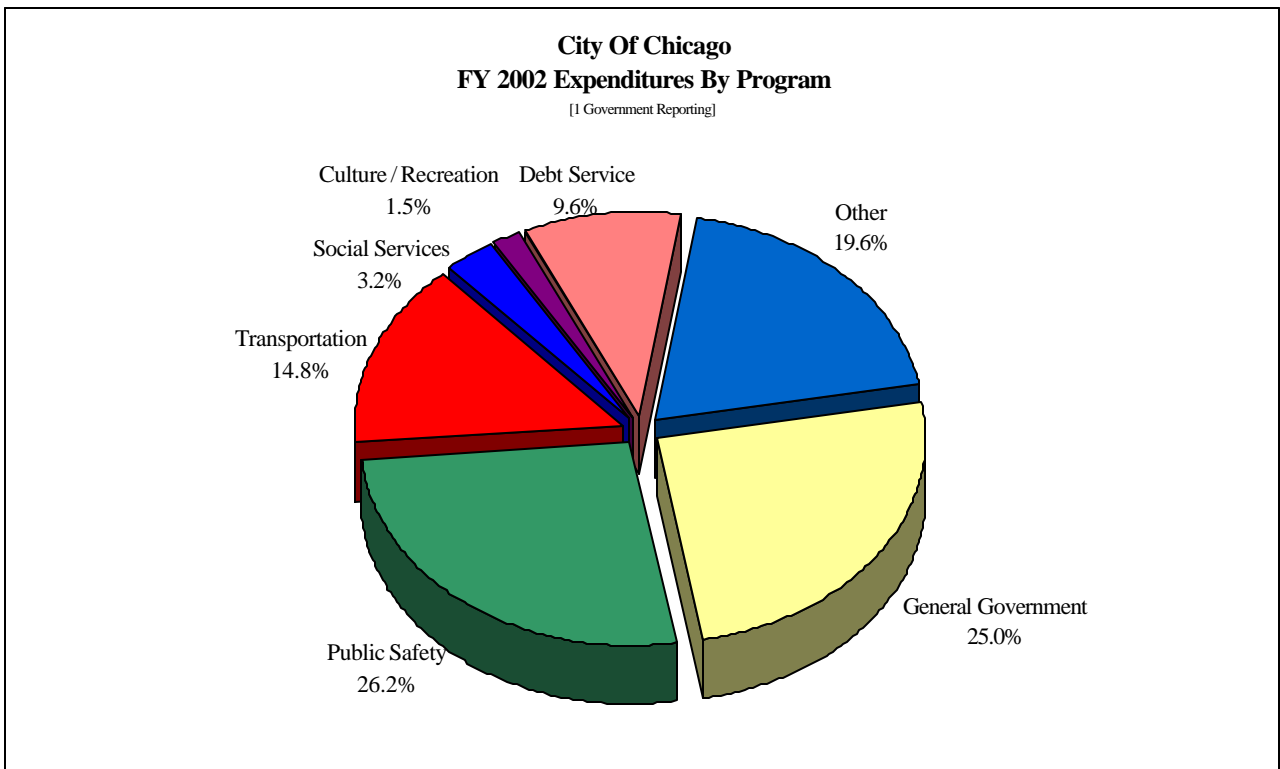


Table 2



**FY 1999—2002 Historical Data
City of Chicago
Appendix E**

City of Chicago Revenue Historical Data			
Revenue By Source	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>Property Tax</i>	\$ 642,692,000	\$ 662,919,000	1.0%
<i>Local Sales Tax</i>	\$ 154,662,000	\$ 190,462,000	7.2%
<i>Utility Tax</i>	\$ 456,011,000	\$ 488,419,000	2.3%
<i>Other Local Tax</i>	\$ 563,279,000	\$ 860,794,000	15.2%
<i>State Income Tax</i>	\$ 240,895,000	\$ 231,969,000	-1.3%
<i>State Sales Tax</i>	\$ 254,180,000	\$ 229,029,000	-3.4%
<i>Replacement Tax</i>	\$ 62,536,000	\$ 41,566,000	-12.7%
<i>Other State Sources</i>	\$ 3,505,000	\$ 2,501,000	-10.6%
<i>Federal</i>	\$ 632,835,000	\$ 1,088,585,000	19.8%
<i>Licenses & Permits</i>	\$ 135,215,000	\$ 83,148,000	-15.0%
<i>Fines & Forfeitures</i>	\$ 110,039,000	\$ 181,711,000	18.2%
<i>Charges For Services</i>	\$ 74,772,000	\$ 92,864,000	7.5%
<i>Interest</i>	\$ 89,761,000	\$ 52,377,000	-16.4%
<i>Miscellaneous</i>	\$ 366,795,000	\$ 437,606,000	6.1%
Total	\$ 3,856,190,000	\$ 4,643,950,000	6.4%

City of Chicago Expenditures Historical Data			
Expenditures by Program	FY 1999	FY 2002	Average Annual Growth Rate [AGR]
<i>General Government</i>	\$ 1,172,273,000	\$ 1,399,128,000	6.1%
<i>Public Safety</i>	\$ 1,362,215,000	\$ 1,464,970,000	2.5%
<i>Health & Welfare / Social Services</i>	\$ 116,678,000	\$ 177,993,000	15.1%
<i>Culture & Recreation</i>	\$ 81,618,000	\$ 83,509,000	0.8%
<i>Debt</i>	\$ 486,458,000	\$ 536,850,000	3.3%
<i>Public Works / Transportation</i>	\$ 553,211,000	\$ 825,826,000	14.3%
<i>Other Expenditures</i>	\$ 917,251,000	\$ 1,097,262,000	6.2%
Total	\$ 4,689,704,000	\$ 5,585,538,000	6.0%